



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE ANNUAL FILING OF SOUTH)	DECISION AND ORDER
JERSEY GAS COMPANY TO ADJUST RATES AS A)	APPROVING INITIAL DECISION
RESULT OF ITS CAPITAL INVESTMENT RECOVERY)	AND STIPULATIONS FOR CIRT
TRACKER ("CIRT") AND TO ELIMINATE THE CIRT)	RATES
)	
)	BPU DOCKET NOs.
)	GR12100890, GO11100632,
)	GR11060334, GR09110907,
)	GO09010051, GR10100765

Parties of Record:

Ira G. Megdal, Esq., for the Petitioner, South Jersey Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND

In an effort to maintain the reliability and safety of its delivery system, while providing stimulus to New Jersey's economy, on January 20, 2009, South Jersey Gas Company ("SJG" or "Company") petitioned the New Jersey Board of Public Utilities ("Board"). In Docket No. GO09010051, for approval to accelerate the timing of certain infrastructure projects ("2009 Filing"). SJG proposed to expedite the planning and construction work related to capital projects that had been in the development stages for future implementation through the Capital Investment Recovery Tracker ("CIRT").

More specifically, according to the Company, these CIRT projects were incremental to its planned fiscal 2009, 2010 and 2011 capital investment programs. Additionally, expediting the work on these projects would assist in mitigating the negative impact of the recession by creating additional job opportunities in the State while enhancing service and reliability for SJG's existing customers. In the 2009 Filing, SJG also requested approval of a proposed method for recovering the investment costs associated with CIRT projects.

On April 16, 2009, the BPU issued an Order (the "April 16 Order") which approved a stipulation permitting SJG to proceed with the design and construction of eleven CIRT projects ("Qualifying Projects").

Pursuant to the April 16 Order, on November 6, 2009, the Company submitted a filing in Docket No. GR09110907 and on December 17, 2009, the Board approved, effective January 1, 2010, the stipulation for provisional CIRT rates which had been entered into by SJG, the Division of Rate Counsel ("Rate Counsel") and Board Staff (collectively, the "Parties").

In accordance with the Stipulation in Docket No. GR09110907, and as approved by Board Order dated September 17, 2010, in the Company's base rate case in Docket No. GR10010035 ("Base Rate Case"), certain Qualifying Projects were rolled into the Company's rate base. Additionally, in the Base Rate Case, the Parties agreed that SJG would be permitted to continue the recovery of approximately \$24.1 million of Qualifying Projects. These Qualifying Projects remained in the CIRT, subject to a prudency review of costs associated with these projects in the forthcoming Phase II portion of the Base Rate Case.

On October 22, 2010, based on the cited success of the Company's initial CIRT program (significant improvement of the Company's distribution infrastructure and hiring of 147 full time employees), the Company filed a petition seeking to accelerate the construction of additional qualifying projects, implement a new CIRT rate commencing January 1, 2011, and to extend the CIRT program for 2011, 2012 and 2013.

On March 31, 2011, the Board approved a stipulation entered into in BPU Docket No. GR10100765, whereby the Parties agreed that the Company would make two filings in order to recover the revenue requirements associated with CIRT II investments in base rates through the CIRT rate adjustment. The first CIRT rate adjustment would be filed with the Board on or before June 30, 2011 to be effective October 1, 2011. The June 2011 filing would include the remaining CIRT I investment costs and CIRT II investment costs incurred prior to the resolution of the case.

On June 1, 2011, the Company filed its first CIRT Rate Adjustment Petition (Docket No. GR11060334) ("First CIRT Rate Adjustment Petition") as required by the Stipulation in CIRT II. Rate Counsel and Staff propounded discovery, which was answered by the Company. At that time, the First CIRT Rate Adjustment Petition was still pending, and the Company was seeking to resolve all outstanding issues regarding the First CIRT Rate Adjustment Petition through this Stipulation.

On October 4, 2011, the Company filed a Petition seeking Board approval to modify and extend the existing Board-approved CIRT II (Docket No. GO11100632) ("CIRT III Petition"). Specifically, the Company sought to spend an incremental \$40 million in 2012 and extend the CIRT program to December 31, 2012, as well as to spend an incremental \$50 million in 2013, all on the accelerated replacement of bare steel and cast iron main, and associated services.

The CIRT III Petition was resolved by Stipulation dated March 13, 2012, whereby the parties agreed that the Company would be permitted to spend an incremental \$35 million by December 31, 2012, that CIRT III would utilize the same Accounting Methodology and Revenue Requirement Recovery agreed upon for CIRT II, and that a base rate of \$0.0107 per therm, including taxes, associated with CIRT III investments would be implemented on March 1, 2013.

On October 4, 2012, SJG filed a petition, assigned to Docket No. GR12100890 ("Second CIRT Rate Adjustment Petition"), requesting authority to "roll-in" to base rates the investments made under its CIRT I program that were not rolled in during SJG's most recent base rate case, all investments made under its CIRT II program, and a portion of the investments made under its CIRT III program. Specifically, the Company requested to:

- 1) To roll-into base rates effective January 1, 2013 the incremental \$22.5 million of CIRT I that remains pending in Phase II of the Company's most recent base rate case. This roll in will close Phase II of the Rate Case, resolving Docket No. GR10010035, and will eliminate the CIRT from the Company's Tariff;
- 2) To roll-into base rates effective January 1, 2013 the entire CIRT II investment of \$60.3 million and to resolve all outstanding issues from the pending First CIRT Rate Adjustment Petition (Docket No. GR11060334);
- 3) To modify the CIRT III Stipulation to reflect that an incremental \$27.8 million of CIRT III will be rolled into base rates effective January 1, 2013; and
- 4) To further modify the CIRT III Stipulation to reflect that the remaining portion of CIRT III, consisting of investments made from October 1, 2012 to December 31, 2012, will be rolled into base rates effective October 1, 2013.

After public notice, two public hearings were held on December 3, 2012 in Voorhees, New Jersey regarding all rate changes proposed in this matter. No one from the public attended.

On May 10, 2013, SJG filed a Supplemental Petition seeking to amend the CIRT Roll-In Petition to include in base rates all CIRT III investments. According to the filing, at the time the CIRT Roll-In Petition was filed SJG's CIRT III program was still active and approximately \$27.8 million of the total authorized \$35 million of investments had been made. Since that time, and as of December 31, 2012, all of the authorized CIRT III investments had been made and the CIRT III program is now concluded. To address all outstanding CIRT investments yet to be rolled into SJG's base rates, and in the interest of avoiding a duplicative future roll-in proceeding, SJG requested that all outstanding CIRT investments, including all CIRT III investments, be included in the pending CIRT Roll-In Petition. Furthermore, in an effort to avoid multiple rate changes, SJG requested, by way of this Supplemental Petition, that the roll-ins and associated base rate changes take place on October 1, 2013 to coincide with the Company's Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) rate adjustments. As proposed, the Company's base rates would increase by \$0.0312 per therm, including taxes and the Company's CIRT rate of \$0.0044 would be eliminated, for a net increase of \$0.0268 per therm, including taxes.

After public notice, two public hearings were held on August 7, 2013 in Voorhees, New Jersey regarding all rate changes proposed in this matter. No one from the public attended.

On September 6, 2013, the Parties entered into two (2) stipulations: one with BPU docket numbers GO09010051 and GR09110907 that addresses matters that had been transmitted to Office of Administrative Law ("OAL") and assigned to Administrative Law Judge ("ALJ") Walter Braswell ("Stipulation I"), and a second stipulation addressing dockets that were not sent to the OAL, namely, GR12100890, GO11100632 and GR11060334 ("Stipulation II")("collectively, "Stipulations").

STIPULATIONS¹

STIPULATION I (GO09010051, GR09110907, EO09010049, GR10100765)

This Stipulation addresses those matters that had been sent to the OAL and assigned to ALJ Walter Braswell. The parties stipulated and agreed to the following:

- That the true-up of the monthly recoveries and monthly expenditures for the Company's CIRT I projects for the period from April 2009 to October 2011 (from program start date until rate change) was appropriately conducted and that the Company has accounted for project costs in an appropriate manner.
- That the actual projects were completed, including any modification/changes from the initial list of projects approved. That the actual cost of each of the CIRT I projects, the time frame for each project in comparison to the projected costs, time frames, and jobs created for each project and concluded that they have met the Board's requirements.
- That the incremental capital expenditures of the Company's associated with the individual and aggregated CIRT I projects, shown in comparison to historical, projected, and actual Capital Expenditure budgets for the Company over the past five years, as agreed to in the Stipulation of Settlement dated April 2009 in Docket No. GO09010051 establishing the program approved by the Board, were appropriate.

Rate Counsel and the Board's Staff are satisfied that the Company has met the requirements of the Board's 1) April, 2009 Order in Dkt. Nos. GO09010051 & EO09010049, which established the SJG CIRT Program, 2) December 22, 2009 Order in Dkt. No. GR09110907, which approved provisional CIRT rates for SJG and 3) the applicable sections of the September 17, 2010 base case Order in Dkt. No. GR10010035 which address the CIRT projects that are not yet in base rates.

¹ Although described at some length in this Order, should there be any conflict between this summary and these Stipulations, the terms of the Stipulations control, subject to the findings and conclusion in this Order.

The Parties stipulate that the Board should approve the Company's request to eliminate the CIRT tracker mechanism and roll into base rates, effective with a Board Order accepting this Stipulation, an incremental \$22.5 million of CIRT I that remains pending in Phase II of the Rate Case. This roll in will eliminate the CIRT tracker mechanism and close Phase II of the Rate Case, resolving Docket No. GR10010035.

On September 11, 2013, ALJ Braswell issued an Initial Decision approving Stipulation I covering dockets GO09010051 and GR10100765. The Initial Decision found the Parties had voluntarily agreed to the Settlement and that the Settlement fully disposes of all issues in controversy and is consistent with the law.

STIPULATION II (GR12100890, GO11100632, GR11060334)

In this Stipulation, covering matters retained at the Board, the Parties stipulated and agreed to the following:

The Parties stipulate that the Board should approve the Company's request to roll into base rates, effective October 1, 2013, CIRT II and CIRT III investments of \$60.2 million and \$34.8 million, respectively, and to resolve all outstanding issues from the pending First CIRT Rate Adjustment Petition.

For clarification of the accounting and ratemaking treatment of AFUDC for qualifying CIRT II and CIRT III projects, the following shall apply and shall supersede all prior Stipulations regarding this topic:

- For accounting purposes, AFUDC shall cease at the time a project is placed in service (when natural gas is reintroduced into the Company's gas distribution system). Once in service, and until rolled into base rates, the Company will accrue to utility plant a carrying cost of 7.98% on qualifying CIRT II investments and 7.72% on qualifying CIRT III investments.
- The accrued carrying costs will be simultaneously rolled into rate base along with the plant and AFUDC.

The rate change associated with the roll-in of \$22.5 million of CIRT I investments is included below for illustrative purposes only. The CIRT I roll-in and resolution of Phase II of the Rate Case is not the subject of this Stipulation, but is the subject of a Stipulation before ALJ Walter Braswell in Board Dockets Nos. GO09010051 and GR10100765 dated the same date as this Stipulation.

	CIRT I	CIRT II	CIRT III	TOTAL
Amount of Capital Spend	\$22.5	\$60.2	\$34.8	\$117.5
Revenue Requirement	\$3.0	\$7.8	\$4.7	\$15.5
Rate Including Tax	\$0.0060	\$0.0157	\$0.0095	\$0.0312
Rate Excluding Tax	\$0.0056	\$0.0146	\$0.0089	\$0.0291
<u>Bill Impact (100 Therm RSG HEAT)</u>				
Dollar Increase	\$0.16	\$1.57	\$0.95	\$2.68
Percentage Increase	0.12%	1.20%	0.72%	2.04%

After giving effect to this Stipulation and the Stipulation² before ALJ Judge Braswell in Board Docket Nos. GO09010051 and GR10100765, the Parties stipulate that the Company's base rates will increase by \$0.0312 per therm, including taxes, and the Company's CIRT rate of \$0.0044 will be eliminated.

After giving effect to this Stipulation and the Stipulation before Judge Braswell in Board Dockets Nos. GO09010051 and GR10100765, the Parties stipulate that SJG shall increase base rates for all firm rate classes by \$0.0312 per therm, including taxes, effective October 1, 2013.

DISCUSSION AND FINDINGS

The Board **HEREBY FINDS** that, subject to the terms and conditions set forth below, the attached Initial Decision and the Stipulations are reasonable, in the public interest, and in accordance with the law, as the infrastructure projects proposed under the CIRT I, II and III have been constructed and reviewed, and determined to be prudent and reasonable. Accordingly, the Board **HEREBY ADOPTS** the Stipulations as its own, as if fully set forth herein.

The Board **HEREBY ORDERS** that the Company's base rates will increase by \$0.0312 per therm (including taxes), the Company's CIRT rate of \$0.0044 per therm (including taxes), will be eliminated, and the CIRT tracker mechanism will be terminated.

As there are no remaining issues to be reviewed within the Phase II of the Base Rate Case, Board Staff is **HEREBY DIRECTED** to take all necessary steps to close the Base Rate Case, Docket No. GR10010035.

² This stipulation also includes docket nos. EO09010049 and GR10100765.

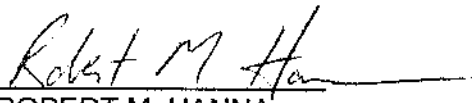
The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order by October 1, 2013.

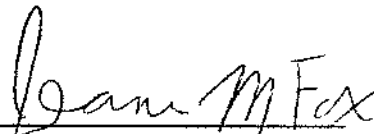
The Company's gas costs will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any such audit.

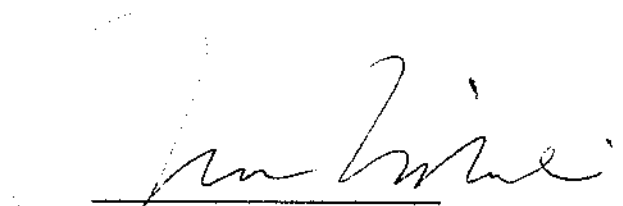
This Order is effective for service rendered on and after October 1, 2013.

DATED: 9/18/13

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

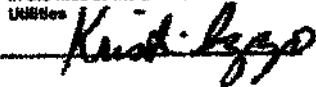

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



**IN THE MATTER OF THE ANNUAL FILING OF SOUTH JERSEY GAS COMPANY TO
ADJUST RATES AS A RESULT OF ITS CAPITAL INVESTMENT RECOVERY TRACKER
("CIRT") AND TO ELIMINATE THE CIRT
BPU DOCKET NOS. GR12100890, GO11100632, GR11060334, GR09110907,
GR09010051, GR10100765**

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 01574-11N

AGENCY DKT. NOS. GO09010051,

GR09110907, EO09010049

**I/M/O THE PETITION OF SOUTH JERSEY
GAS COMPANY FOR APPROVAL OF A
CAPITAL INVESTMENT RECOVERY
TRACKER PURSUANT TO N.J.S.A. 48:2-21.1
AND N.J.S.A. 48:2-21**

OAL DKT. NO. PUC 04613-11N

AGENCY DKT. NO. GR10100765

**IN THE MATTER OF THE ANNUAL FILING OF
SOUTH JERSEY GAS COMPANY TO ADJUST
ITS CAPITAL INVESTMENT RECOVERY
TRACKER AND FOR APPROVAL OF AN
EXTENSION OF THE CIRT PURSUANT TO
N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1**

(CONSOLIDATED)

Ira G. Megdal, Esq. and Stacy A. Mitchell, Esq. for South Jersey Gas Company
(Cozen O'Conner, attorneys)

Alex Moreau and Veroncia Beke, Deputy Attorneys General, for Board of Public
Utilities (John J. Hoffman, Acting Attorney General of New Jersey,
attorney)

Felicia Thomas-Friel, Deputy Rate Counsel and **Henry R. Ogden**, Assistant
Deputy Rate Counsel, for Division of Rate Counsel (Stefanie Brand,
Director)

Record Closed: September 5, 2013

Decided: September 11, 2013

BEFORE WALTER M. BRASWELL, ALJ/ta:

These matters were transmitted to the Office of Administrative Law on February 8, 2011 and April 13, 2011, respectively, for determination as a contested case pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13.

The parties have agreed to a settlement and have prepared a Stipulation of Settlement indicating the terms thereof, which is attached and fully incorporated herein.

I have reviewed the record and the terms of settlement and I **FIND**:

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures; and
2. The settlement fully disposes of all issues in controversy and is consistent with the law.

I **CONCLUDE** that the Stipulation meets the requirements of N.J.A.C. 1:1-19.1 and that the settlement should be approved. I approve the settlement and therefore **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

Within thirteen days from the date on which this recommended decision was mailed to the parties, any party may file written exceptions with the **SECRETARY OF THE BOARD OF PUBLIC UTILITIES, 44 South Clinton Avenue, P.O. Box 350, Trenton, NJ 08625-0350**, marked "Attention: Exceptions." A copy of any exceptions must be sent to the judge and to the other parties.

9/11/13
DATE

Walter M. Braswell
WALTER M. BRASWELL, ALJ/ta

Date Received at Agency:

Date Mailed to Parties:

ljb

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

**IN THE MATTER OF THE PETITION
OF SOUTH JERSEY GAS COMPANY
FOR APPROVAL OF A CAPITAL
INVESTMENT RECOVERY TRACKER
PURSUANT TO N.J.S.A. 48:2-21.1 AND
N.J.S.A. 48:2-21**

**OAL DOCKET NO. PUC01574-11N
BPU DOCKET NOS. GO09010051,
GR09110907, EO09010049**

**IN THE MATTER OF THE ANNUAL
FILING OF SOUTH JERSEY GAS
COMPANY TO ADJUST ITS CAPITAL
INVESTMENT RECOVERY TRACKER
AND FOR APPROVAL OF AN
EXTENSION OF THE CIRT PURSUANT
TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1**

**OAL DOCKET NO. 04613-11N
BPU DOCKET NO. GR10100765**

STIPULATION

APPEARANCES:

Ira G. Megdal, Esquire and Stacy A. Mitchell, Esquire (Cozen O'Connor, attorneys) for South Jersey Gas Company ("Petitioner")

Felicia Thomas-Friel, Deputy Rate Counsel, Henry M. Ogden, Assistant Deputy Rate Counsel on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel") (Stefanie A. Brand, Director)

Alex Moreau and Veronica Beke, Deputy Attorneys General, on behalf of the Staff of the Board of Public Utilities ("Staff") (John J. Hoffman, Acting Attorney General of New Jersey)

TO: THE HONORABLE WALTER M. BRASWELL, ALJ

1. In October 2008, in response to the worldwide economic downturn, the State sought ways to mitigate its effects on New Jersey. South Jersey and the State's other electric and gas public utilities were asked to participate in plans to provide immediate economic assistance for New Jersey residents and simultaneously promote long-term reliable infrastructure, for continued economic benefits in the future.

2. South Jersey responded to this request by filing a petition on January 20, 2009 (Docket No. GO09010051) (1) proposing to accelerate necessary construction projects from future periods to improve and enhance the Company's gas transmission and distribution infrastructure; (2) seeking the Board's approval of investments in the Qualifying Projects; and (3) seeking the Board's approval of a tracker mechanism that would allow the Company the opportunity to earn a return of and return on those investments in Qualifying Projects ("CIRT I Petition").

3. South Jersey's filing was consistent with the Board's policy of guiding the State toward a responsible energy future with adequate, reliable energy supplies that are both environmentally responsible and competitively priced. The filing was made pursuant to the statutory authority granted in N.J.S.A. 48:2-21.1, sometimes referred to as the "Negotiation Statute."

4. On April 16, 2009 the Board issued a Decision and Order in Docket No. GO09010051 accepting a Stipulation of the parties and implementing the Capital Investment Recovery Tracker ("CIRT") mechanism of South Jersey (the "CIRT I Order"). The Board's Order established an initial CIRT rate of \$0.0094 per therm, including taxes. It further provided that prior to the establishment of any annual CIRT rate thereafter, there would be public notice and hearings, and the opportunity for discovery and comments.

5. On November 6, 2009, South Jersey filed its first required annual CIRT filing (Docket No. GR09110907) pursuant to the CIRT I Order. The Company sought an increase of the CIRT rate from \$0.0094 per therm to \$0.0224 per therm, including taxes.

6. By Decision and Order Approving Stipulation in Docket No. GR09110907, dated December 17, 2009, the Board approved, effective January 1, 2010, the stipulation for a provisional CIRT rate of \$0.0224 that had been entered into by South Jersey, Rate Counsel and Board Staff.

7. By Board Order dated September 17, 2010 in the Company's base rate case (Docket GR10010035) ("Rate Case"), certain CIRT I Qualifying Projects were rolled into the Company's rate base.

8. Additionally, in the Rate Case, the Parties agreed that South Jersey would be permitted to continue the recovery of approximately \$23.1 million of CIRT I Qualifying Projects through the CIRT tracker mechanism. These Qualifying Projects remained in the CIRT, subject to a prudence review of costs associated with those projects in the forthcoming Phase II portion of the Rate Case. As a result of the Rate Case order, the current CIRT rate set forth in South Jersey's tariff is \$0.0044 per therm, including taxes.

9. On October 22, 2010, South Jersey filed with the Board, a Petition (Docket No. GR10100765) seeking the authority to make its annual adjustment to its CIRT charge and seeking to extend its CIRT for three (3) additional years ("CIRT II Petition").

10. In the CIRT II Petition, South Jersey proposed to implement a new CIRT rate commencing January 1, 2011, and to extend the CIRT program through 2011, 2012 and 2013.

11. The parties to that proceeding, South Jersey, Rate Counsel and Board Staff (collectively, the "Parties") held several settlement discussions to address the resolution of

various issues and entered into a Stipulation of Settlement dated March 29, 2011, whereby the Company was authorized to spend \$60.3 million on Qualified Projects by October 31, 2012.

12. The Parties also agreed that the Company would make two filings in order to recover the revenue requirements associated with CIRT II investments through CIRT Rate Adjustments to base rates (the "CIRT Rate Adjustment Petitions"). The first CIRT Rate Adjustment Petition was required to be filed with the Board on or before June 30, 2011 to be effective October 1, 2011, and the second CIRT Rate Adjustment Petition would be filed with the Board on or before October 31, 2012, to be effective on January 1, 2013.

13. The Stipulation of Settlement of the CIRT II Petition was approved by Board Order dated March 31, 2011.

14. On February 8, 2011, the Board transmitted the CIRT I matter (Docket No. GO09010051) to the Office of Administrative Law ("OAL").

15. On April 13, 2011, the Board transmitted the CIRT II matter (Docket No. GR10100765) to the OAL.

16. By Order dated May 18, the CIRT I and CIRT II matters (Docket Nos. GO09010051 and GR10100765, respectively) were consolidated at the OAL.

17. As a result of a Pre-hearing Conference held on April 29, 2011, the Honorable Walter Braswell issued a Pre-Hearing Order dated May 24, 2011, wherein he stated the following issues were to be resolved in the proceedings before him:

- A true-up of the monthly recoveries and monthly expenditures for South Jersey Gas Company's CIRT I projects for the period from April 2009 to October 2011

(from program start date until rate change). A determination of whether the Company has accounted for project costs in an appropriate manner.

- The actual projects completed, including any modifications/changes from the initial list of projects approved. The actual cost of each of South Jersey Gas Company's CIRT I projects, the time frame for each project, and the jobs created by each project in comparison to the projected costs, time frames, and jobs created for each project.
- The incremental capital expenditures of South Jersey Gas Company associated with the individual and aggregated CIRT I projects shown in comparison to historical, projected, and actual Capital Expenditure budgets for the Company over the past five years, as agreed to in the Stipulation of Settlement dated April 2009 in Docket No. GO09010051 establishing the program approved by the Board.
- A determination of whether the Company has met the requirements of the Board's 1) April, 2009 Order in Dkt. Nos. GO09010051 & EO09010049 which established the SJG CIRT Program, 2) December 22, 2009 Order in Dkt. No. GR09110907 which approved provisional CIRT rates for SJG and 3) the applicable sections of the September 17, 2010 base rate case Order which address the CIRT projects that are not yet in base rates.

18. In addition to the public hearings associated with the CIRT Petition, the CIRT II Petition and the Company's Base Rate Case, public hearings were held on December 3, 2012 in Voorhees, New Jersey. The Notices of these hearings were published in newspapers of general circulation throughout South Jersey's service territory and sent via certified mail to the municipal and freeholder clerks, and county executives, where appropriate, in the municipalities and counties in South Jersey's territory twenty days in advance of the hearings. No members of the public attended these hearings.

19. Discovery was propounded and answered by the Company.

20. The parties have held settlement discussions on all of these matters in conjunction with settlement discussions in a related filing made on October 4, 2012, In the Matter of the

Annual Filing of South Jersey Gas Company to Adjust Rates as a Result of its Capital Investment Recovery Tracker (“CIRT”) and to Eliminate the CIRT (Docket No. GR12100890).

STIPULATED MATTERS

21. As a result of those settlement discussions, the Parties to this matter have stipulated and agreed to the following:

- Rate Counsel and Staff are satisfied that the true-up of the monthly recoveries and monthly expenditures for South Jersey Gas Company’s CIRT I projects for the period from April 2009 to October 2011 (from program start date until rate change) was appropriately conducted and that the Company has accounted for project costs in an appropriate manner.
- Rate Counsel and Staff are satisfied that the actual projects were completed, including any modifications/changes from the initial list of projects approved. Rate Counsel and Staff also reviewed the actual cost of each of South Jersey Gas Company’s CIRT I projects, the time frame for each project, and the jobs created by each project in comparison to the projected costs, time frames, and jobs created for each project and concluded that they have met the Board’s requirements.
- Rate Counsel and Staff are satisfied that the incremental capital expenditures of South Jersey Gas Company associated with the individual and aggregated CIRT I projects, shown in comparison to historical, projected, and actual Capital Expenditure budgets for the Company over the past five years, as agreed to in the Stipulation of Settlement dated April 2009 in Docket No. GO09010051 establishing the program approved by the Board, were appropriate.

22. Rate Counsel and Staff are satisfied that the Company has met the requirements of the Board’s 1) April, 2009 Order in Dkt. Nos. GO09010051 & EO09010049, which established the SJG CIRT Program, 2) December 22, 2009 Order in Dkt. No. GR09110907, which approved provisional CIRT rates for SJG and 3) the applicable sections of the September 17, 2010 base case Order in Dkt. No. GR10010035 which address the CIRT projects that are not yet in base rates. The Parties stipulate that the Board should approve the Company’s request to eliminate the CIRT tracker mechanism and roll into base rates, effective with a Board Order

accepting this Stipulation, an incremental \$22.5 million of CIRT I that remains pending in Phase II of the Rate Case. This roll in will eliminate the CIRT tracker mechanism and close Phase II of the Rate Case, resolving Docket No. GR10010035.¹

23. The Parties stipulate to the below rate and billing impacts for all firm rate classes:

	CIRT I
Amount of Total Investment	\$22.5
Revenue Requirement	\$3.0
Rate Including Tax	\$0.0060
Rate Excluding Tax	\$0.0056
<u>Bill Impact (100 Therm RSG HEAT)</u>	
Dollar Increase	\$0.16
Percentage Increase	0.12%

As demonstrated above, and after giving effect to this Stipulation and the Stipulation in Board Docket Nos. GR12100890, GO11100632 and GR11060334, the Parties Stipulate that the Company's base rates will increase by \$0.0312 per therm, including taxes, and the Company's CIRT rate of \$0.0044 will be eliminated.

MISCELLANEOUS

24. This stipulation represents a mutual balancing of interests and therefore is intended to be accepted and approved in its entirety. In the event this Stipulation is not adopted in its entirety by the Board, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

¹ The Parties agree that this matter is now closed.

25. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purposes of this proceeding. Except as expressly provided herein, nothing agreed to in this Stipulation by Petitioner, Board Staff, or Rate Counsel shall be deemed to be precedential in any other proceeding nor shall any principle or methodology underlying this Stipulation be deemed precedential in any other proceeding.

26. Attached hereto are the following Exhibits:

Exhibit A: Initial tariff sheets applicable to this matter. Within ten (10) days of a Board Order accepting this Stipulation, the Company will make a compliance filing of such tariff sheets with the Board.

Exhibit B: Revenue Requirements for CIRT I, II and III projects entering rate base.

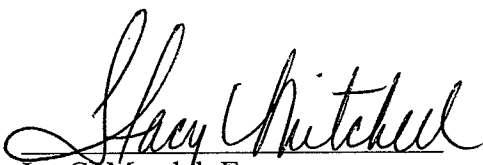
Exhibit C: Listing of CIRT I, II, and III projects entering rate base by name and investment amount.

Exhibit D: Description of CIRT I, II and III projects entering rate base, by project.

Exhibit E: Revenues at present and proposed rates.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms thereof, as soon as reasonably possible.

SOUTH JERSEY GAS COMPANY

By: 
Ira G. Megdal, Esq.
Stacy A. Mitchell, Esq.
Cozen O'Connor

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF
NEW JERSEY

By: _____
Alex Moreau
Deputy Attorney General

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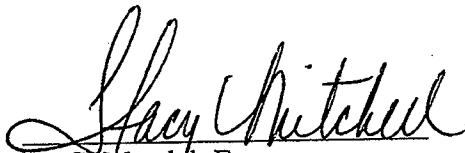
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- Exhibit B: Revenue Requirements for CIRT I, II and III projects entering rate base.
- Exhibit C: Listing of CIRT I, II, and III projects entering rate base by name and investment amount.
- Exhibit D: Description of CIRT I, II and III projects entering rate base, by project.
- Exhibit E: Revenues at present and proposed rates.

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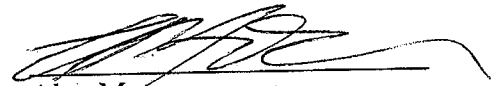
SOUTH JERSEY GAS COMPANY

By:


Ira G. Megdal, Esq.
Stacy A. Mitchell, Esq.
Cozen O'Connor

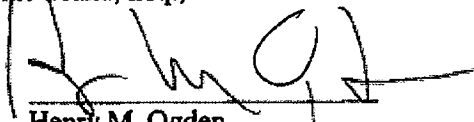
JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF
NEW JERSEY

By:


Alex Moreau
Deputy Attorney General

DIVISION OF RATE COUNSEL
Stefanie Brand, Esq., Director

By:


Henry M. Ogden
Assistant Deputy Rate Counsel

Dated: September 6, 2013

SOUTH JERSEY GAS COMPANY

Second Revised Sheet No. 2
Superseding First Revised Sheet No. 2

B.P.U.N.J. No. 10 - GAS

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by South Jersey Gas Company,
E. Graham, President

Effective with service rendered
on and after _____

Filed pursuant to Secretary’s Letter in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

**Ninth Revised Sheet No. 6
Superseding Eighth Revised Sheet No. 6**

RESIDENTIAL SERVICE (RSG)

APPLICABLE TO USE OF SERVICE FOR:

All residential purposes. Customer may elect Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service RSG, a customer must hold clear and marketable title to gas that is made available for delivery to the customer's residence on the Company's system.

CHARACTER OF SERVICE Firm Sales Service and Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:		\$8.9238 per month
Delivery Charge:		
(a)	All consumption for customers who elected to transfer from Firm Sales Service to Firm Transportation Service	\$.6280012 per therm
(b)	All consumption for customers who elect Firm Sales Service	\$.6280012 per therm
Basic Gas Supply Service ("BGSS") Charge:	All consumption for customers who elect Firm Sales Service.	See Rider "A" of this Tariff.

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider "A" of this Tariff.
Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Transportation Initiation Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "C" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
Temperature Adjustment Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "F" of this Tariff.

1) Please refer to Appendix (A for components of Monthly Rates and Price to Compare

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

Ninth Revised Sheet No. 10
Superseding Eighth Revised Sheet No. 10

GENERAL SERVICE (GSG)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule. A customer qualifying for service under Rate Schedule GSG may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG, 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 or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$23.8075 per month

Delivery Charges:

- (a) All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service

All therms \$5391423 per therm

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

All therms \$5391423 per therm

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect Firm Sales Service

See Rider "A" of this Tariff.

LINE LOSS:

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

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

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 11
Superseding Original Sheet No. 11

B.P.U.N.J. No. 10 - GAS

GENERAL SERVICE (GSG)
(Continued)

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider "A" of this Tariff.
Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Transportation Initiation Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "C" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
Temperature Adjustment Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "F" of this Tariff.
Economic Development Rate Clause:	The rates set forth above are subject to adjustment, as is appropriate, pursuant to Rider "H" of this Tariff.
Balancing Service Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "J" of this Tariff.
Conservation Incentive Program	CIP charges are depicted in Rider "M" of this Tariff.
Energy Efficiency Tracker	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a nonbusiness day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

TERM:

Customer may discontinue service upon written notice to the Company, pursuant to the terms of the Company's Standard Gas Service Agreement (GS), if applicable, otherwise, in order to effectuate a termination, customer must provide adequate notice to the Company.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

Ninth Revised Sheet No. 14
Superseding Eighth Revised Sheet No. 14

GENERAL SERVICE - LARGE VOLUME (GSG-LV)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule (other than Rate Schedule GSG), and who has an annualized usage of 100,000 therms or more. A customer qualifying for service under Rate Schedule GSG-LV may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG-LV, 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 or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$160.50 per month

Delivery Charges:

- (a) All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service ⁽²⁾

Demand Charge:

D-1FT: \$8.5600 per Mcf of Contract Demand

Volumetric Charge:

C-1FT: ~~\$3.793526~~ per therm

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

Demand Charge:

D-1: \$8.5600 per Mcf of Contract Demand

Volumetric Charge:

C-1: ~~\$3.793526~~ per therm

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

⁽²⁾ See Special Provision (p) of this Rate Schedule GSG-LV, regarding appropriate balancing charges.

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 15
Superseding Original Sheet No. 15

B.P.U.N.J. No. 10 - GAS

GENERAL SERVICE (GSG-LV)
(Continued)

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect
Firm Sales Service

See Rider "A" of this Tariff.

LINE LOSS:

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

APPLICABLE RIDERS:

- Basic Gas Supply Service Clause: BGSS charges are depicted in Rider "A" of this Tariff.
- ~~Capital Investment Recovery Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~
- Transportation Initiation Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "C" of this Tariff.
- Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
- Temperature Adjustment Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "F" of this Tariff.
- Economic Development Rate Clause: The rates set forth above are subject to adjustment, as is appropriate, pursuant to Rider "H" of this Tariff.
- Balancing Service Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "J" of this Tariff. However, see also Special Provision (l) regarding Rider "I".
- Conservation Incentive Program CIP charges are depicted in Rider "M" of this Tariff.
- Energy Efficiency Tracker The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

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E. Graham, President

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SOUTH JERSEY GAS COMPANY

Ninth Revised Sheet No. 19

B.P.U.N.J. No. 10 - GAS

Superseding Eighth Revised Sheet No. 19

COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

APPLICABLE TO USE OF SERVICE FOR:

All customers having a Firm Contract Demand, and an average annual daily Firm usage of 100 Mcf per day or more. To be eligible for service under this Rate Schedule CTS, 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. Provided, however, that any customer receiving service under this Rate Schedule CTS prior to August 29, 2003 shall continue to be eligible to receive service under this Rate Schedule CTS, notwithstanding the foregoing, if said customer continues to have a Firm Contract Demand of 100 Mcf per day or more. Further provided, however, that if a customer ceases to receive service under this Rate Schedule CTS, and seeks to return to service under this Rate Schedule CTS, said customer must meet all requirements for eligibility as though applying for service in the first instance.

CHARACTER OF SERVICE:

Firm Transportation Service and Limited Firm Transportation Service

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge: \$642.00 per month

Delivery Charges:

Demand Charge: D-1FT: \$29.3408 per Mcf of Contract Demand

Volumetric Charges:

C-1FT:

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service

\$1.1396429 per therm

Limited Firm:

Customer Charge: \$107.00 per month

Delivery Charges:

Volumetric Charges:

C-1FT:

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service

\$1.1682415 per therm

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

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E. Graham, President

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 20
Superseding Original Sheet No. 20

B.P.U.N.J. No. 10 - GAS

COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

(Continued)

APPLICABLE RIDERS:

- ~~Capital Investment Recovery Tracker:~~ ~~The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~
- Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
- Balancing Service Clause: All gas delivered to Customers under this Rate Schedule CTS is subject to Rider "I" of this Tariff
- Energy Efficiency Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

LINE LOSS:

Line loss shall be 1.43% as provided in Special Provision (q).

MINIMUM BILL:

Sum of monthly customer charge and monthly demand charge, irrespective of use.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a nonbusiness day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

TERM:

Customer may discontinue service upon written notice to the Company, pursuant to the conditions of the Company's Standard Gas Service Agreement (LV).

TERMS AND CONDITIONS:

The General Terms and Conditions of this Tariff are incorporated into this rate schedule and this rate schedule shall be interpreted in accordance therewith.

Issued _____
by South Jersey Gas Company,
E. Graham, 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. 10 - GAS

Ninth Revised Sheet No. 27
Superseding Eighth Revised Sheet No. 27

LARGE VOLUME SERVICE (LVS)

APPLICABLE TO USE OF SERVICE FOR:

Firm Sales Service and Firm Transportation Service pursuant to this Rate Schedule LVS, shall be available to all Industrial Customers with a Contract Demand and a minimum annualized average use of 200 Mcf per day. To be eligible for Firm Transportation Service under this Rate Schedule 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, Limited Firm Sales Service, Firm Transportation Service, and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge:
\$963.00 per month

Delivery Charge:

- (a) All consumption for customers who elected to transfer from Firm Sales Service to Firm Transportation Service

Demand Charge: D-1FT: \$15.9261 per Mcf of Contract Demand

Volumetric Charge: C-1FT: \$.1395+28 per therm

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

Demand Charge: D-1: \$15.9261 per Mcf of Contract Demand

Volumetric Charge: C-1: \$.1395+28 per therm

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

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E. Graham, President

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SOUTH JERSEY GAS COMPANY

Ninth Revised Sheet No. 28

B.P.U.N.J. No. 10 - GAS

Superseding Eighth Revised Sheet No. 28

LARGE VOLUME SERVICE (LVS)
(continued)

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: \$13.4618 per Mcf of Contract Demand.

Volumetric Charge:

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

Limited Firm:

Customer Charge:

\$107.00 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: \$20691802 per therm

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

Volumetric Charge:

C-1FT: \$20691802 per therm

Basic Gas Supply Service ("BGSS") Charge:

Volumetric Charge:

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

PRICE TO COMPARE:

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

LINE LOSS:

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

Issued _____
by South Jersey Gas Company,
E. Graham, President

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 29
Superseding Original Sheet No. 29

B.P.U.N.J. No. 10 - GAS

LARGE VOLUME SERVICE (LVS)
(continued)

MINIMUM BILL:

Sum of monthly Customer Charge and monthly Demand Charges, irrespective of use.

APPLICABLE RIDERS:

- Basic Gas Supply Service Clause: The C-2 rate is depicted in Rider "A" of this Tariff.
- ~~Capital Investment Recovery Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~
- Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
- Economic Development Rate Clause: The rates set forth above are subject to adjustment, as is appropriate, pursuant to Rider "H" of this Tariff.
- Balancing Service Clause: All gas delivered to Customers under this Rate Schedule LVS is subject to Rider "T", of this Tariff.
- Energy Efficiency Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a nonbusiness day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

TERM:

Customer may discontinue service upon written notice to the Company, pursuant to the conditions of the Company's Standard Gas Service Agreement (LV).

TERMS AND CONDITIONS:

The General Terms and Conditions of this Tariff are incorporated into this rate schedule and this rate schedule shall be interpreted in accordance therewith.

Issued _____
by South Jersey Gas Company,
E. Graham, President

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SOUTH JERSEY GAS COMPANY

Seventh Revised Sheet No. 33
Superseding Sixth Revised Sheet No. 33

B.P.U.N.J. No. 10 - GAS

FIRM ELECTRIC SERVICE (FES)

APPLICABLE TO USE OF SERVICE FOR:

All gas that is purchased or transported to generate electricity. Provided, however, that in order to qualify for this Rate Schedule FES, a customer must have a Winter Daily Contract Demand of 1,000 Mcf per day or more, or a Summer Daily Contract Demand of 2,000 Mcf per day or more, or both. To be eligible for Firm Transportation Service under this Rate Schedule FES, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service.

MONTHLY RATE ⁽¹⁾(2)

WINTER (November – March):

Demand Charge:

- D-1 \$3.1000 per Mcf of Winter Daily Contract Demand
- D-2 \$6.7310 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.1334067 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: \$.1432 per therm of consumption
 - C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.
- Minimum Bill:** The monthly D-1 and D-2 charges, irrespective of use.

SUMMER (April – October):

Demand Charge:

- D-1 \$3.1000 per Mcf of Summer Daily Contract Demand
- D-2 \$6.7310 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.1334067 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: \$.1432 per therm of consumption
- C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.

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

⁽²⁾ Please refer to Special Provision (p)

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 34

B.P.U.N.J. No. 10 - GAS

Superseding Original Sheet No. 34

FIRM ELECTRIC SERVICE (FES)
(Continued)

MINIMUM BILL: The monthly D-1 and D-2 charge, irrespective of use.

LINE LOSS:

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

APPLICABLE RIDERS:

- | | |
|--------------------------------------|--|
| Basic Gas Supply Clause: | The C-2 Rate is depicted on Rider A to this tariff, and is subject to adjustment pursuant to Special Provision (x) of this Rate Schedule. |
| Capital Investment Recovery Tracker: | The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff. |
| Customer Owned Gas Clause: | The C-2 Volumetric Charge is subject to adjustment, pursuant to Rider "D" of this Tariff, if the customer so requests in an executed Standard Gas Service Agreement (FES). |
| Societal Benefits Clause: | The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff. |
| Energy Efficiency Tracker: | The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff. |

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a non-business day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

TERM:

Customer may discontinue service upon written notice to the Company, pursuant to the conditions of the Company's Standard Gas Service Agreement (FES).

TERMS AND CONDITIONS:

The General Terms and Conditions of this Tariff are incorporated into this rate schedule and this rate schedule shall be interpreted in accordance therewith.

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SOUTH JERSEY GAS COMPANY

Seventh Revised Sheet No. 40
Superseding Sixth Revised Sheet No. 40

B.P.U.N.J. No. 10 - GAS

ELECTRIC GENERATION SERVICE (EGS)

APPLICABLE TO USE OF SERVICE FOR:

Residential, commercial and industrial uses for 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, a customer must have a Firm Daily Contract Demand of less than 200 Mcf per day; provided, however, that a residential EGS customer will have no Firm Daily Contract Demand. To be eligible for Firm Transportation Service under this Rate Schedule EGS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service

MONTHLY RATE: ⁽¹⁾⁽²⁾

Residential Customer Charge:

\$8.9238 per month

Residential Delivery Charge

Residential Volumetric Charge: \$283567 per therm

Commercial and Industrial Customer Charge:

\$26.75 per month

Commercial and Industrial Delivery Charge:

Commercial and Industrial Demand Charge:

D-1 Charge: \$6.9550 per Mcf of contract

Volumetric Charges:

Winter Season (effective during billing months of November through March):

All Consumption for Firm Sales Service \$2722455 per therm

All Consumption for Firm Transportation Service \$2722455 per therm

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

⁽²⁾ See Special Provision (k) of this Rate Schedule EGS, regarding appropriate balancing charges.

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SOUTH JERSEY GAS COMPANY

Seventh Revised Sheet No. 41
Superseding Sixth Revised Sheet No. 41

B.P.U.N.J. No. 10 - GAS

ELECTRIC GENERATION SERVICE (EGS)
(Continued)

Summer Season (effective during billing months of April through October):

All Consumption for Firm Sales Service	\$ <u>240</u> 134 per therm
All Consumption for Firm Transportation Service	\$ <u>240</u> 134 per therm

Basic Gas Supply Service ("BGSS") Charge:
All Consumption See Rider "A" of this Tariff.

LINE LOSS:

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

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider "A" of this Tariff.
Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, pursuant to Rider "E" of this Tariff.
Balancing Service Clause	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "J" of this Tariff. However, also see Special Provision (k) regarding Rider "I".
Energy Efficiency Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a non-business day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

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Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

Seventh Revised Sheet No. 45
Superseding Sixth Revised Sheet No. 45

B.P.U.N.J. No. 10 - GAS

ELECTRIC GENERATION SERVICE - LARGE VOLUME (EGS-LV)

APPLICABLE TO USE OF SERVICE FOR:

All commercial and industrial electric generation facilities; all Prime Movers and all engine driven equipment (whether or not used for electric generation). Provided, however, that in order to be eligible for this Rate Schedule EGS-LV, a customer must have a Firm Daily Contract Demand of 200 Mcf per day or more. To be eligible for Firm Transportation Service under this Rate Schedule EGS-LVS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service, Firm Transportation Service, Limited Firm Sales Service and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:
\$192.60 per month

FIRM:

Demand Charges: ⁽²⁾

D-1 \$15.5935 per Mcf of Firm Daily Contract Demand.
D-2 \$15.2755 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge:

C-1: \$.1334067 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 \$6.7310 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

Volumetric Charge: ⁽²⁾

C-1: \$.1334067 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 \$.1432 per therm for all consumption within Limited Firm Contract Demand level.¹

Minimum Bill: Monthly D-2 charge, irrespective of use.

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

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

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 46
Superseding Original Sheet No. 46

B.P.U.N.J. No. 10 - GAS

ELECTRIC GENERATION SERVICE - LARGE VOLUME (EGS-LV)
(Continued)

LINE LOSS

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

APPLICABLE RIDERS:

- Basic Gas Supply Service Clause: The C-2 rate is depicted in Rider "A" of this Tariff.
- Capital Investment Recovery Tracker: ~~The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~
- Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
- Customer Owned Gas Clause: The Firm and Limited Firm C-2 Volumetric Charges are subject to adjustment, pursuant to Rider "D" of this Tariff, if so elected in an executed Standard Gas Service Agreement (EGS-LV).
- Balancing Service Clause: All gas delivered to customers under this Rate Schedule EGS-LV is subject to Rider "I" of this Tariff.
- Energy Efficiency Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

All rates, except for the Firm and Limited Firm C-2 Volumetric Charges, are subject to Special Provision (e) of this Rate Schedule (EGS-LV).

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a nonbusiness day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

TERM:

Customer may discontinue service upon written notice to the Company, pursuant to the conditions of the Company's Standard Gas Service Agreement (EGS-LV). The Company will continue service, and take all steps it deems reasonable to provide such service during the term specified in the Standard Gas Service Agreement (EGS-LV). Provided, however, that each year effective November 1 such agreement is subject to revision by the Company to reflect its ability to continue service at Standard Gas Service Agreement (EGS-LV) levels. No change in service level shall be effective unless the Company notifies the customer on or before May 1 of any year. Based upon such review, the Company may advise the customer that the Company cannot provide service at such levels for the ensuing 12 month period, and further advise the customer as to what levels of service the

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 53
Superseding Original Sheet No. 53

B.P.U.N.J. No. 10 - GAS

INTERRUPTIBLE GAS SERVICE (IGS)

APPLICABLE TO USE OF SERVICE FOR:

Interruptible uses of gas by all customers.

CHARACTER OF SERVICE:

Interruptible Sales Service.

Service will be provided when the Company in its sole reasonable discretion deems sufficient gas supplies to be available for said service. Service may be interrupted or curtailed at the sole option of the Company after not less than three (3) hours advanced notice by telephone or otherwise. During periods of interruption, the Company may permit the continued use of gas for pilots. When permitted, such usage shall not be subject to the terms of Special Provision (b) of this rate schedule.

MONTHLY RATE:

- (a) The rate per therm of gas under this Rate Schedule, IGS, shall be designed to yield at least a profit of \$.01 per therm, after consideration of Costs Applicable.
 - (i) For a customer that certifies that it has, or is capable of having, an Alternate Fuel Capability of No. 6 oil, the appropriate price shall be that of No. 6 oil; or
 - (ii) For a customer that certifies that it has, or is capable of having, an Alternate Fuel Capability of No. 4 oil, the appropriate price shall be that of No. 4 oil; or
 - (iii) For a customer that does not certify that it has, or is capable of having, an Alternate Fuel Capability of No. 4 oil or No. 6 oil, the appropriate price shall be that of No. 2 oil.
 - (iv) For a Rate Schedule FES customer, the appropriate price shall be price at which said customer certifies that it is able to purchase fuels.
- (b) RESERVED FOR FUTURE USE.
- (c) The rate set under this Rate Schedule shall be established on or about the 27th day of each calendar month for the month succeeding said calendar month. Provided, however, that such rate shall be filed with the Board at least three (3) business days prior to its effective date.

APPLICABLE RIDERS:

Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
Energy Efficiency Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

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SOUTH JERSEY GAS COMPANY

Third Revised Sheet No. 57
Superseding Second Sheet No. 57

B.P.U.N.J. No. 10 - GAS

INTERRUPTIBLE TRANSPORTATION SERVICE (ITS)

APPLICABLE TO USE OF SERVICE FOR:

Interruptible uses of gas to customers who hold clear and marketable title to gas that is made available for transportation service on the Company's system. Pursuant to this Rate Schedule ITS, the Company shall transport gas made available for transportation from the Company's City Gate Station to a designated point of delivery.

CHARACTER OF SERVICE:

Interruptible Transportation Service.

MONTHLY RATE:

Service Charge:

\$107.00 per month

Billable for the duration of the Standard Gas Service Agreement (ITS). The Service Charge will not be prorated.

Transportation Charge:

- (a) For transportation of gas by customers served under Rate Schedules CTS, LVS, FES, or EGS-LV or industrial customers who have an annualized average interruptible use of 200 Mcf or more per day:
\$.0338 per therm
- (b) For transportation of gas by customers served under Rate Schedules GSG or GSG-LV that certify that they have an Alternate Fuel Capability of No. 6 oil.
\$.1031 per therm
- (c) For transportation of gas not qualified for delivery under Paragraph (a) or (b) of this Transportation Charge:
\$.1673 per therm

Line Loss:

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

APPLICABLE RIDERS:

Capital Investment Recovery Tracker: ~~The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~

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SOUTH JERSEY GAS COMPANY

Sixth Revised Sheet No. 62
Superseding Fifth Revised Sheet No. 62

B.P.U.N.J. No. 10 - GAS

NATURAL GAS VEHICLE (NGV)

APPLICABLE TO:

This service will be available to Commercial and Industrial customers who will utilize natural gas, for the purpose of providing vehicle fuel at Company-operated fueling stations or at separately metered customer-operated fueling stations.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service

COMPRESSED NATURAL GAS VEHICLE SERVICE AT COMPANY OPERATED FUELING STATIONS

This part of the service is available for refueling vehicles with compressed natural gas to customers who refuel at Company operated fueling stations. All service at Company operated fueling stations shall be Firm Sales Service.

Rate for Monthly Consumption

Volumetric Charge

C-1: \$0.1334067 per therm (\$0.1667334 GGE*)

Distribution Charge: \$0.1122 per therm (\$0.1403 GGE*)

Compression Charge: \$0.5684 per therm (\$0.7105 GGE*)

Commodity Charges

All consumption for customers who elected Firm Sales Service

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect Firm Sales Service See Rider "A" of this Tariff.
BGSS rate * GGE Factor 1.25 = GGE

GGE indicates Gasoline Gallon Equivalent. The gasoline gallon equivalent shall be determined in accordance with local standards. The point of sale price to the customer shall be displayed in gasoline gallon equivalents; and shall be calculated as C-1 + Distribution Charge + Compression Charge + New Jersey Motor Vehicle Fuel Tax + Federal Excise Tax + BGSS.

Commodity charges do not include State of New Jersey Motor vehicle fuel tax and Federal Excise Tax. As of July 1, 2011 these taxes were \$0.0525 and \$0.183 per gallon, respectively and shall be charged at the prevailing rate when applicable. The Company is under no obligation to determine if a customer is exempt from taxation.

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SOUTH JERSEY GAS COMPANY

Sixth Revised Sheet No. 63
Superseding Fifth Revised Sheet No. 63

B.P.U.N.J. No. 10 - GAS

NATURAL GAS VEHICLE (NGV)
(continued)

NATURAL GAS VEHICLE SERVICE AT CUSTOMER OPERATED FUELING STATIONS

This part of the service is available for the sale of separately metered uncompressed gas for the use of the customer solely as a vehicle fuel as follows:

The customer agrees to obtain and maintain, at its expense, all necessary certificates, licenses and regulatory approvals and pay all taxes levied on the gas compressed for refueling the customer's vehicles;

If the customer provides natural gas for resale as a motor fuel, the customer will be responsible for collecting and paying all applicable taxes on the gas compressed for resale and for the metering of such sale in accordance with local standards and regulations; and

The customer executes a Standard Gas Service Agreement for not less than 12 months

Rate for Monthly Consumption

Monthly Customer Charge

The monthly customer charge shall be determined in accordance with the maximum delivery capability requested by the customer.

0-999 Cf/hour	\$40.13
1,000-4,999 Cf/hour	\$80.25
5,000-24,999 Cf/hour	\$214.00
25,000 and greater Cf/hour	\$642.00

Volumetric Charges

C-1: \$0.1334067 per therm (\$0.1667334 GGE)

Distribution Charge: \$0.1122 per therm (\$0.1403 GGE)

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect Firm Sales Service See Rider "A" of this Tariff

The customer shall pay all related motor vehicle taxes directly to the taxing entity. Such taxes shall be incremental to charges paid to the Company for the cost of receiving service under this rate schedule.

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SOUTH JERSEY GAS COMPANY

Sixth Revised Sheet No. 64
Superseding Fifth Revised Sheet No. 64

B.P.U.N.J. No. 10 - GAS

NATURAL GAS VEHICLE (NGV)
(continued)

DELIVERY SERVICE FOR NATURAL GAS VEHICLES

This part of service is available for delivery of customer owned natural gas for use in customer compression facilities, as follows:

The customer has purchased, or has agreed to purchase, under a contract with an initial term of not less than one year an adequate supply of natural gas of a quality acceptable to the Company, and has made, or has caused to be made, arrangements by which such volumes of natural gas can be delivered, into the Company's distribution system at the customer's expense.

The customer warrants that it has good and legal title to all gas supplied to the Company, and agrees to indemnify and hold the Company harmless from any loss, claims or damages in regard to such title.

Rate for Delivery Service

Monthly Customer Charge The monthly customer charge shall be determined in accordance with the maximum delivery capability requested by the customer.

0-999 Cf/hour	\$40.13
1,000-4,999 Cf/hour	\$80.25
5,000-24,999 Cf/hour	\$214.00
25,000 and greater Cf/hour	\$642.00

Volumetric Charge

C-1: \$0.1334067 per therm (\$0.1667334 GGE)

Distribution Charge: \$0.1122 per therm (\$0.1403 GGE)

Sales taxes are not included in the above basic charges. The Company is under no obligation to determine if a customer is exempt for taxation. Customers seeking tax exemption must file such verification with the Company.

APPLICABLE RIDERS FOR COMPANY OWNED AND CUSTOMER OWNED STATIONS:

- Basic Gas Supply Service Clause: BGSS charges are depicted in Rider "A" of this Tariff.
- Capital Investment Recovery Tracker: ~~The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~
- Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
- Balancing Service Clause: All gas transported under this Rate Schedule ITS is subject to balancing requirements pursuant to Rate Schedule CTS, Rider "I" or Rider "J" of this Tariff.
- Energy Efficiency Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 71

B.P.U.N.J. No. 10 - GAS

Superseding Amended Original Sheet No. 71

RIDER "B"

~~CAPITAL INVESTMENT RECOVERY TRACKER ("CIRT")~~

APPLICABLE TO:

- Rate Schedule RSG _____ Residential
- Rate Schedule GSG _____ General Service
- Rate Schedule GSG-LV _____ General Service-Large Volume
- Rate Schedule CTS _____ Comprehensive Transportation Service
- 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 IGS _____ Interruptible Gas Service
- Rate Schedule ITS _____ Interruptible Transportation Service
- Rate Schedule NGV _____ Natural Gas Vehicle

This Rider "B" shall be known as the Capital Investment Recovery Tracker ("CIRT"). It shall be utilized to adjust the Company's monthly revenues in cases wherein the actual recoveries experienced vary from the calculated revenue requirement. It shall be utilized to earn a return on and a return of incremental infrastructure investments, including the capitalized costs related to CIRT projects. The calculation will use the weighted cost of capital and depreciation rates utilized in the Company's most recent base rate case.

The revenue requirement will be calculated using projected data and be subject to a true-up at the end of the year with simple interest on net over/under recoveries. Interest associated with over recoveries will be credited against the CIRT, while interest associated with under recoveries will be charged to the CIRT. The interest on CIRT under and over recoveries shall be the interest rate based on the Company's monthly weighted interest rate obtained on its commercial paper and/or bank credit lines.

This tracker will be effectuated through a volumetric rate applied to customers' bills. The Company shall make an annual CIRT rate filing by November 1st of each year. The CIRT rate shall be adjusted on or about each January 1st. CIRT rate adjustments shall be made pursuant to the Board's Order at Docket No. G009010051, dated April 28, 2009.

Rate Schedules subject to this Rider will be charged the following volumetric rate:

- CIRT Factor per therm _____ \$0.0041
- Applicable Revenue Tax Factor _____ 1.0022
- CIRT Factor per therm _____ \$0.0041
- Applicable NJ Sales Tax Factor _____ 1.07
- CIRT Rate per therm with NJ Sales Tax _____ \$0.0044

RESERVED FOR FUTURE USE

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E. Graham, President

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 105
Superseding Original Sheet No. 105

B.P.U.N.J. No. 10 - GAS

CONSERVATION INCENTIVE PROGRAM (CIP)
(Continued)

rounded to the nearest whole number. Similarly, the Incremental Large Customer Count Adjustment for the GSG-LV customer class for the applicable month shall equal the aggregate connected load for all new active customers that exceed the 50,000 CFH threshold divided by 25,000 CFH, rounded to the nearest whole number.

(ix) **Margin Revenue Factor** – the Margin Revenue Factor (“MRF”) shall be the base rate, as reflected in Appendix A to this Tariff, applicable to the Customer Class Groups to which the CIP applies, net of any applicable Riders, including taxes. The MRFs by Customer Class Group are as follows:

Group I (RSG non-heating):	\$0.4322034 per therm
Group II (RSG heating):	\$0.4322034 per therm
Group III (GSG):	\$0.3483492 per therm
Group IV (GSG-LV):	\$0.1990699 per therm

(g) The annual filing for the adjustment to the CIP rate shall be concurrent with the annual filing for BGSS. The CIP factor shall be credited/collected on a per therm basis within the Delivery Charge for all service classifications stated above. The level of BGSS savings referenced in Special Provision (d) to this Rider “M” shall be identified in the annual CIP filing, and serve as an offset to the non-weather related portion of the CIP charge provided in Special Provision (g) to this Rider “M”. The Periodic and Monthly BGSS rates identified in Rider “A” to this tariff shall include the BGSS savings, as applicable.

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SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
Appendix A - Effective October 1, 2013

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PJA	NJ SALES TAX	TARIFF RATE
RESIDENTIAL GAS SERVICE (RSG)							
RESIDENTIAL FIRM SERVICE (RFS) - HEAT CUSTOMER							
Customer Charge	8.3400					0.5638	8.9238
CIP				0.0955	0.0002	0.0067	0.1024
Delivery Charge:							
COST OF SERVICE	0.4322	0.0102		0.0017	0.0000	0.0310	0.4734
TIC						0.0001	0.0018
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0632	0.0002	0.0057	0.0891
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0009	0.0132
EET			0.0471		0.0001	0.0033	0.0506
BSC "J" BS-1							
BSC "J" BUY-OUT PRICE - Rate set monthly	0.4322	0.0102	0.0471	0.0972	0.0003	0.0410	0.6280
Total							
RESIDENTIAL FIRM SERVICE (RFS) - HEAT CUSTOMER							
Customer Charge	8.3400					0.5638	8.9238
Basic Gas Supply Service (BGSS):			0.4966		0.0011	0.0348	0.5325
CIP				0.0955	0.0002	0.0067	0.1024
Delivery Charge:							
COST OF SERVICE	0.4322	0.0102		0.0017	0.0000	0.0310	0.4734
TIC						0.0001	0.0018
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0632	0.0002	0.0057	0.0891
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0009	0.0132
EET			0.0471		0.0001	0.0033	0.0506
BSC "J" BS-1							
Total	0.4322	0.0102	0.0471	0.0972	0.0003	0.0410	0.6280

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
Appendix A - Effective October 1, 2013

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	RESIDENTIAL FIRM TRANS SERVICE / SCS / T / S / M / G / H / E / T / C / S / T / O / M / E / R	BASE RATE	TEFA	BGSS	OTHER RIDERS	PVA	NJ SALES TAX	TARIFF RATE
Customer Charge		8.3400					0.5838	8.9238
CIP					0.0508	0.0001	0.0036	0.0545
Delivery Charge:								
COST OF SERVICE		0.4322	0.0102		0.0017	0.0000	0.0310	0.4734
TIC							0.0001	0.0018
SBC:								
CLEP					0.0406	0.0001	0.0028	0.0435
RAC					0.0254	0.0001	0.0017	0.0272
USF					0.0172	0.0000	0.0012	0.0184
USF					0.0832	0.0002	0.0057	0.0891
TAC					0.0000	0.0000	0.0000	0.0000
EET					0.0123	0.0000	0.0009	0.0132
BSC *J* BS-1				0.0471		0.0001	0.0033	0.0505
BSC *J* BUY-OUT PRICE - Rate set monthly					0.0972	0.0003	0.0410	0.6280
Total		0.4322	0.0102	0.0471	0.0972	0.0003	0.0410	0.6280

Total SBC

RESIDENTIAL FIRM TRANS SERVICE / SCS / T / S / M / G / H / E / T / C / S / T / O / M / E / R

	RESIDENTIAL FIRM TRANS SERVICE / SCS / T / S / M / G / H / E / T / C / S / T / O / M / E / R	BASE RATE	TEFA	BGSS	OTHER RIDERS	PVA	NJ SALES TAX	TARIFF RATE
Customer Charge		8.3400					0.5838	8.9238
Basic Gas Supply Service (BGSS):				0.4966		0.0011	0.0348	0.5325
CIP					0.0508	0.0001	0.0036	0.0545
Delivery Charge:								
COST OF SERVICE		0.4322	0.0102		0.0017	0.0000	0.0310	0.4734
TIC							0.0001	0.0018
SBC:								
CLEP					0.0406	0.0001	0.0028	0.0435
RAC					0.0254	0.0001	0.0017	0.0272
USF					0.0172	0.0000	0.0012	0.0184
USF					0.0832	0.0002	0.0057	0.0891
TAC					0.0000	0.0000	0.0000	0.0000
EET					0.0123	0.0000	0.0009	0.0132
BSC *J* BS-1				0.0471		0.0001	0.0033	0.0505
Total		0.4322	0.0102	0.0471	0.0972	0.0003	0.0410	0.6280

Total SBC

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	BASE RATE	IEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE (GSS)							
GENERAL SERVICE (GSS) TRANSFER (GSS/TS)							
Customer Charge	22.2500					1.5575	23.8075
CIP				0.0642	0.0001	0.0045	0.0688
Delivery Charge: COST OF SERVICE	0.3483	0.0110				0.0252	0.3845
TIC				0.0017	0.0000	0.0001	0.0018
SBC:							
CLEP				0.0408	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC				0.0832	0.0002	0.0057	0.0891
TAC				0.0000	0.0000	0.0000	0.0000
EET				0.0123	0.0000	0.0009	0.0132
BSC "J" BS-1			0.0471		0.0001		0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly							
Total	0.3483	0.0110	0.0471	0.0972	0.0003	0.0352	0.5391

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	BASE RATE	TEFA	BGSS	OTHER RIDERS	PMA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE FIRM SALES (GSG/SS)							
Customer Charge	22.2600					1.5575	23.8075
CIP				0.0642	0.0001	0.0045	0.0688
Basic Gas Supply Service (BGSS):			0.4966		0.0011	0.0348	0.5325
Delivery Charge:							
COST OF SERVICE	0.3463	0.0110				0.0252	0.3845
TIC				0.0017	0.0000	0.0001	0.0018
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0632	0.0002	0.0057	0.0691
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0009	0.0132
EET					0.0001	0.0033	0.0505
BSC "J" BS-1			0.0471		0.0001	0.0033	0.5391
Total	0.3463	0.0110	0.0471	0.0972	0.0003	0.0352	

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PMA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE FIRM SALES (GSG/SS)							
Customer Charge	22.2500					1.5575	23.8075
CIP				0.0642	0.0001	0.0045	0.0688
Basic Gas Supply Service (BGSS):			0.4966		0.0011	0.0348	0.5325
Delivery Charge:							
COST OF SERVICE	0.3463	0.0110				0.0252	0.3845
TIC				0.0017	0.0000	0.0001	0.0018
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0632	0.0002	0.0057	0.0691
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0009	0.0132
EET					0.0001	0.0033	0.0505
BSC "J" BS-1			0.0471		0.0001	0.0033	0.5391
Total	0.3463	0.0110	0.0471	0.0972	0.0003	0.0352	

RATE SET MONTHLY

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<u>GENERAL SERVICE (W/GSG-SW)</u>						
	BASE RATE	TEFA	BGSS	OTHER RIDERS	PJA	NJ SALES TAX
						TARIFF RATE
Customer Charge	150.0000					160.5000
D-1 Demand Charge	8.0000					8.5600
CIP				0.0129	0.0000	0.0138
Delivery Charge: COST OF SERVICE	0.1980	0.0110				0.2247
TIC				0.0017	0.0000	0.0018
SBC:						
CLEP				0.0406	0.0001	0.0435
RAC				0.0254	0.0001	0.0272
USF				0.0172	0.0000	0.0184
				0.0832	0.0002	0.0891
Total SBC				0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0132
EET			0.0471		0.0001	0.0505
BSC *J* BS-1						
BSC *J* BUY-OUT PRICE - Rate set monthly	0.1980	0.0110	0.0471	0.0872	0.0003	0.3793
Total						
<u>GENERAL SERVICE (W/GSG-SW)</u>						
	BASE RATE	TEFA	BGSS	OTHER RIDERS	PJA	NJ SALES TAX
						TARIFF RATE
Customer Charge	160.0000					160.5000
D-1 Demand Charge	8.0000					8.5600
Basic Gas Supply Service (BGSS):						
CIP				0.0129	0.0000	0.0138
Delivery Charge: COST OF SERVICE	0.1980	0.0110				0.2247
TIC				0.0017	0.0000	0.0018
SBC:						
CLEP				0.0406	0.0001	0.0435
RAC				0.0254	0.0001	0.0272
USF				0.0172	0.0000	0.0184
				0.0832	0.0002	0.0891
Total SBC				0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0132
EET			0.0471		0.0001	0.0505
BSC *J* BS-1						
Total						
<u>GENERAL SERVICE (W/GSG-SW)</u>						
	BASE RATE	TEFA	BGSS	OTHER RIDERS	PJA	NJ SALES TAX
						TARIFF RATE
Customer Charge	160.0000					160.5000
D-1 Demand Charge	8.0000					8.5600
Basic Gas Supply Service (BGSS):						
CIP				0.0129	0.0000	0.0138
Delivery Charge: COST OF SERVICE	0.1980	0.0110				0.2247
TIC				0.0017	0.0000	0.0018
SBC:						
CLEP				0.0406	0.0001	0.0435
RAC				0.0254	0.0001	0.0272
USF				0.0172	0.0000	0.0184
				0.0832	0.0002	0.0891
Total SBC				0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0132
EET			0.0471		0.0001	0.0505
BSC *J* BS-1						
Total						

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COMPREHENSIVE TRANSPORTATION SERVICE (CIS)

COMPREHENSIVE FIRM TRANSPORTATION SERVICE (CIS)

	BASE RATE	IEFA	BGSS	OTHER RIDERS	PVA	NJ SALES TAX	TARIFF RATE
Firm							
Customer Charge	600.0000					42.0000	642.0000
Delivery Charge:							
D-1 DEMAND CHARGE	27.4213					1.9195	29.3408
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0317	0.0032				0.0024	0.0373
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC				0.0832	0.0002	0.0057	0.0891
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0317	0.0032		0.0956	0.0002	0.0090	0.1396
BS-1 ALL THERMS			0.0118		0.0000	0.0008	0.0126
BS-1 (Opt Out Provision) ALL THERMS			0.0025		0.0000	0.0002	0.0027
BUY-OUT PRICE							RATE SET MONTHLY
Limited Firm							
Customer Charge	100.0000					7.0000	107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0584	0.0032				0.0043	0.0659
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC				0.0832	0.0002	0.0057	0.0891
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0584	0.0032		0.0955	0.0002	0.0109	0.1682
BS-1 ALL THERMS			0.0118		0.0000	0.0008	0.0126
BS-1 (Opt Out Provision) ALL THERMS			0.0025		0.0000	0.0002	0.0027
BUY-OUT PRICE							RATE SET MONTHLY

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LARGE VOLUME SERVICES

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PIA	NJ SALES TAX	TARIFF RATE
Firm							
Customer Charge	900.0000					63.0000	963.0000
Delivery Charge:							
D-1 DEMAND CHARGE	14.8842					1.0419	15.9261
C-1 VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0316	0.0032				0.0024	0.0372
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0832	0.0002	0.0057	0.0891
Total SBC				0.123	0.0000	0.0009	0.132
EET				0.0955	0.0002	0.0090	0.1395
Total C-1 VOLUMETRIC CHARGE	0.0316	0.0032	0.0118 0.0025	0.0955	0.0000	0.0008 0.0002	0.126 0.027
BS-1 ALL THERMS BS-1 (Opt Out Provision) ALL THERMS BSC "Y" CASH OUT CHARGE/(CREDIT)							RATE SET MONTHLY
Limited Firm							
Customer Charge	100.0000					7.0000	107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0946	0.0032				0.0068	0.1046
SBC:							
CLEP				0.0406	0.0000	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0832	0.0002	0.0057	0.0891
Total SBC				0.123	0.0000	0.0009	0.132
EET				0.0955	0.0002	0.0134	0.2069
Total C-1 VOLUMETRIC CHARGE	0.0946	0.0032	0.0118 0.0025	0.0955	0.0000	0.0008 0.0002	0.126 0.027
BS-1 ALL THERMS BS-1 (Opt Out Provision) ALL THERMS BUY-OUT PRICE							RATE SET MONTHLY

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	BASE RATE	TEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Customer Charge	900.0000					63.0000	963.0000
Basic Gas Supply Service (BGSS):							
C-2 BGSS			12.5535		0.0276	0.8807	13.4618
D-2 DEMAND CHARGE							
Delivery Charge:							
D-1 DEMAND CHARGE	14.8842					1.0419	15.9261
C-1 VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0316	0.0032				0.0024	0.0372
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC				0.0632	0.0002	0.0057	0.0691
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0316	0.0032	0.0000	0.0955	0.0002	0.0090	0.1396
BS-1 ALL THERMS							
Limited Firm							
Customer Charge	100.0000					7.0000	107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0946	0.0032				0.0068	0.1046
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC				0.0632	0.0002	0.0057	0.0691
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0946	0.0032	0.0000	0.0955	0.0002	0.0134	0.2069
BS-1 ALL THERMS							
BS-1 (Opt Out Provision) ALL THERMS							
BUY-OUT PRICE							
EET							
Total C-1 VOLUMETRIC CHARGE							
BS-1 ALL THERMS							
BS-1 (Opt Out Provision) ALL THERMS							
BUY-OUT PRICE							
EET							
Total C-1 VOLUMETRIC CHARGE							
BS-1 ALL THERMS							
BS-1 (Opt Out Provision) ALL THERMS							
BUY-OUT PRICE							

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RATE SET MONTHLY

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	BASE RATE	TEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
ELECTRIC GENERATION SERVICE (EGS)							
Commercial/Industrial							
Customer Charge	25.0000					1.7500	26.7500
D-1 DEMAND	6.5000					0.4650	6.9550
Basic Gas Supply Service (BGSS):							
Delivery Charge - Winter Season (Nov - Mar)	0.1116					0.0078	0.1194
COST OF SERVICE							
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0832	0.0002	0.0057	0.0891
Total SBC							
Balancing Charge BSC*J' BS-1			0.0471		0.0001	0.0033	0.0505
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.1116		0.0471	0.0955	0.0003	0.0177	0.2722
Delivery Charge - Summer Season (Apr - Oct)							
COST OF SERVICE							
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0832	0.0002	0.0057	0.0891
Total SBC							
Balancing Charge BSC*J' BS-1			0.0471		0.0001	0.0033	0.0505
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.0816		0.0471	0.0955	0.0003	0.0156	0.2401

ELECTRIC GENERATION SERVICE (EGS)
Commercial/Industrial

Customer Charge

D-1 DEMAND

Basic Gas Supply Service (BGSS):

Delivery Charge - Winter Season (Nov - Mar)

COST OF SERVICE

SBC:

 CLEP

 RAC

 USF

Total SBC

Balancing Charge BSC*J' BS-1

EET

Total C-1 VOLUMETRIC CHARGE (FSS & FTS)

Delivery Charge - Summer Season (Apr - Oct)

COST OF SERVICE

SBC:

 CLEP

 RAC

 USF

Total SBC

Balancing Charge BSC*J' BS-1

EET

Total C-1 VOLUMETRIC CHARGE (FSS & FTS)

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	BASE RATE	TEFA	BGSS	OTHER RIDERS	PJA	NJ SALES TAX	TARIFF RATE
ELECTRIC GENERATION SERVICE (EGS)							
Residential							
Customer Charge	8.3400					0.5838	8.9238
Basic Gas Supply Service (BGSS):			0.4966		0.0011	0.0346	0.5925
Delivery Charge							
COST OF SERVICE	0.1221					0.0086	0.1307
SBC:							
CLEP				0.0405	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0892	0.0002	0.0057	0.0891
Total SBC							
Balancing Charge BSC-J' BS-1			0.0471		0.0001	0.0033	0.0505
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.1221		0.0471	0.0955	0.0003	0.0185	0.2835

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	BASE RATE	TEFA	BGSS	OTHER RIDERS	PLA	NJ SALES TAX	TARIFF RATE
Firm							
Customer Charge	180.0000					12.6	192.6000
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	14.5734					1.0201	15.5935
D-2 DEMAND BGSS(applicable to Sales Customers Only)			14.2448		0.0313	0.9993	15.2755
Cost of Service	0.0291					0.0020	0.0311
C-1 CLEP				0.0406	0.0001	0.0028	0.0435
C-1 RAC				0.0254	0.0001	0.0017	0.0272
C-1 USF				0.0172	0.0000	0.0012	0.0184
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0291			0.0955	0.0002	0.0086	0.1334
C-2 BGSS							
BSC "T" CASH OUT CHARGE (CREDIT)			0.0118		0.0000	0.0008	
BS-1 ALL THERMS			0.0025		0.0000	0.0002	
BS-1 (Opt Out Provision) ALL THERMS							
Limited Firm							
D-2 DEMAND BGSS(applicable to Sales Customers Only)			6.2768		0.0138	0.4403	6.7310
Cost of Service	0.0291					0.0020	0.0311
C-1 CLEP				0.0406	0.0001	0.0028	0.0435
C-1 RAC				0.0254	0.0001	0.0017	0.0272
C-1 USF				0.0172	0.0000	0.0012	0.0184
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0291			0.0955	0.0002	0.0086	0.1334
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.0094	0.1432
C-2 BGSS							
BSC "T" CASH OUT CHARGE (CREDIT)			0.0118		0.0000	0.0008	
BS-1 ALL THERMS			0.0025		0.0000	0.0002	
BS-1 (Opt Out Provision) ALL THERMS							

RATE SET MONTHLY
RATE SET MONTHLY
0.0126
0.0027

RATE SET MONTHLY
RATE SET MONTHLY
0.0126
0.0027

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	BASE RATE	TEFA	BGSS	RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Winter							
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.8972					0.2028	3.1000
D-3 DEMAND BGSS (applicable to Sales Customers Only)			6.2768		0.0138	0.4403	6.7310
Cost of Service	0.0291					0.0020	0.0311
C-1 CLEP				0.0406	0.0001	0.0028	0.0435
C-1 RAC				0.0254	0.0001	0.0017	0.0272
C-1 USF				0.0172	0.0000	0.0012	0.0184
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0291			0.0955	0.0002	0.0086	0.1334
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.0094	0.1432
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 "1" CASH OUT CHARGE (CREDIT)							RATE SET MONTHLY
Summer							
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.8972					0.2028	3.1000
D-2 DEMAND BGSS (applicable to Sales Customers Only)			6.2768		0.0138	0.4403	6.7310
Cost of Service	0.0291					0.0020	0.0311
C-1 CLEP				0.0406	0.0001	0.0028	0.0435
C-1 RAC				0.0254	0.0001	0.0017	0.0272
C-1 USF				0.0172	0.0000	0.0012	0.0184
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0291			0.0955	0.0002	0.0086	0.1334
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.0094	0.1432
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 "1" CASH OUT CHARGE (CREDIT)							RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
Appendix A - Effective October 1, 2013

NATURAL GAS VEHICLE FUELING

	<u>BASE RATE</u>	<u>TEFA</u>	<u>BGSS</u>	<u>RIDERS</u>	<u>PLA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Company Operated Fueling Stations							
Cost of Service	0.0291					0.0020	0.0311
C-1 CLEP			0.0406	0.0001		0.0028	0.0435
C-1 RAC			0.0254	0.0001		0.0017	0.0272
C-1 USF			0.0172	0.0000		0.0012	0.0184
EET			0.0123	0.0000		0.0009	0.0132
	0.0291		0.0955	0.0002		0.0086	0.1334
Total C-1 VOLUMETRIC CHARGE							
Distribution Charge:	0.1047			0.0002		0.0073	0.1122
Compression Charge	0.5300			0.0012		0.0372	0.5684
Basic Gas Supply Service (BGSS):							
Rider "I" - BS-1 ALL THERMS			0.0118		0.0000	0.0008	0.0126
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS			0.0025		0.0000	0.0002	0.0027
Rider "J" - BS-1			0.0471		0.0001	0.0033	0.0505
Customer Operated Fueling Stations							
Service Charge	37.5000					2.6260	40.1250
	1,000 - 4,999 CF/hour					5.2500	80.2500
	5,000 - 24,999 CF/hour					14.0000	214.0000
	25,000 or Greater CF/hour					42.0000	642.0000
Cost of Service	0.0291					0.0020	0.0311
C-1 CLEP			0.0406	0.0001		0.0028	0.0435
C-1 RAC			0.0254	0.0001		0.0017	0.0272
C-1 USF			0.0172	0.0000		0.0012	0.0184
EET			0.0123	0.0000		0.0009	0.0132
	0.0291		0.0955	0.0002		0.0086	0.1334
Total C-1 VOLUMETRIC CHARGE							
Distribution Charge:	0.1047			0.0002		0.0073	0.1122
Basic Gas Supply Service (applicable Sales Customers only)							
Rider "I" - BS-1 ALL THERMS			0.0118		0.0000	0.0008	0.0126
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS			0.0025		0.0000	0.0002	0.0027
Rider "J" - BS-1			0.0471		0.0001	0.0033	0.0505

RATE SET MONTHLY

RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
Appendix A - Effective October 1, 2013

INTERRUPTIBLE SERVICE, YARD & STREET LIGHTING

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PVA	NJ SALES TAX	TARIFF RATE
SERVICE CHARGE	100.0000					7.0000	107.0000
TRANS CHARGE A	0.0284	0.0032				0.0022	0.0338
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC:				0.0832	0.0001	0.0057	0.0891
EET				0.0123	0.0000	0.0009	0.0132
TRANS CHARGE B	0.0932	0.0032				0.0067	0.1031
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC:				0.0832	0.0002	0.0057	0.0891
EET				0.0123	0.0000	0.0009	0.0132
TRANS CHARGE C	0.1532	0.0032				0.0109	0.1673
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC:				0.0832	0.0002	0.0057	0.0891
EET				0.0123	0.0000	0.0009	0.0132

INTERRUPTIBLE TRANSPORTATION

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
Appendix A - Effective October 1, 2013

Commodity	BASE RATE	TEFA	BGSS	OTHER RIDERS	PMA	NJ SALES TAX	TARIFF RATE
							Rate Set Monthly
INTERMEDIATE GAS SALES (IGS)		0.0032					
SBC:							
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC:				0.0426	0.0001	0.0029	0.0456
EET				0.0123	0.0000	0.0009	0.0132
YARD LIGHTING SERVICE (YLS)	6.1655	0.0110	4.6368			0.7569	11.5702
MONTHLY CHARGE / INSTALL							
STREET LIGHTING SERVICE (SLS)	6.6465	0.0110	6.9552			0.9529	14.5556
MONTHLY CHARGE / INSTALL							

South Jersey Gas Company
CIRT Revenue Requirement

	<u>CIRT I</u>
Investment as of September 30, 2013	\$22,450,810
Less Accumulated Depreciation	<u>(1,222,495)</u>
Net Plant	21,228,315
Less Accumulated Deferred Tax	<u>(7,560,594)</u>
Net Investment	13,667,721
Monthly Rate of Return (11.85% / 12)	<u>0.9875%</u>
Required Operating Income	134,969
Depreciation Expense	<u>41,908</u>
Operating Income	176,877
Revenue Factor	<u>1.0843</u>
Monthly Revenue Requirement	191,788
Annual Revenue Requirement	2,301,452
Projected under-recovered balance at September 30, 2013	694,413
Projected interest to customers at September 30, 2013	(18,716)
Total Revenue Requirement	<u><u>\$2,977,149</u></u>

South Jersey Gas Company
CIRT Revenue Requirement

	<u>CIRT II</u>	<u>CIRT III</u>	<u>Total</u>
Investment as of September 30, 2013	\$60,248,131	\$34,705,323	\$94,953,454
AFUDC	<u>9,882,921</u>	<u>3,456,807</u>	<u>13,339,728</u>
Total Investment as of September 30, 2013	70,131,052	38,162,129	108,293,182
Less Depreciation ⁽¹⁾	<u>(1,570,936)</u>	<u>(854,832)</u>	<u>(2,425,767)</u>
Net Plant	68,560,117	37,307,298	105,867,415
Less Deferred Tax	<u>(19,648,928)</u>	<u>(6,241,898)</u>	<u>(25,890,826)</u>
Net Investment	48,911,188	31,065,400	79,976,588
Pre-Tax Rate of Return	<u>11.63%</u>	<u>11.36%</u>	
Pre-Tax Return on Investment	5,688,371	3,529,029	9,217,401
Add: Depreciation	<u>1,570,936</u>	<u>854,832</u>	<u>2,425,767</u>
Revenue Recovery	7,259,307	4,383,861	11,643,168
Revenue Factor	<u>1.07834</u>	<u>1.07834</u>	<u>1.07834</u>
Revenue Requirement	<u><u>\$7,827,987</u></u>	<u><u>\$4,727,284</u></u>	<u><u>\$12,555,271</u></u>
 ⁽¹⁾ Depreciation			
Plant in Service at September 30, 2013	\$60,248,131	\$34,705,323	
AFUDC	<u>9,882,921</u>	<u>3,456,807</u>	
	70,131,052	38,162,129	
Depreciation rate	<u>2.24%</u>	<u>2.24%</u>	
Depreciation Expense	<u><u>1,570,936</u></u>	<u><u>854,832</u></u>	

South Jersey Gas Company
CIRT Projects Rolled into Rate Base

CIRT I Projects

Accelerated Main Replacements	\$1,654,106
20" Union Rd.-Rt. 50 Upgrade	\$667,340
12" Atco-Stokes Road Pipeline	\$9,245,378
16" CMCH-Burleigh Pipeline	\$5,256,548
Install H-6 LNG Vaporizer	\$4,748,941
CMCH to Burleigh Station	<u>\$878,497</u>
Total:	\$22,450,810

CIRT II Projects

Accelerated Bare Steel/Cast Iron Main & Service Line Replacements	\$27,501,798
12" Atlantic City Pipeline	\$5,559,938
24" Black Horse Pike to Delilah Road	\$7,703,704
Absecon Island Ventnor Ave Feeder Main	\$8,954,397
Distribution District Regulator Upgrades	\$1,777,717
LNG Tank Foundation, Impoundment Dike, Security & Vapor Fence Safety Upgrades	\$1,163,754
Transmission System Retrofits & Valving	\$1,840,514
Water Crossing Replacements at Oldman's Creek	\$850,178
Absecon Island Ventnor Ave Lateral Mains	<u>\$4,896,132</u>
Total:	\$60,248,131

CIRT III Projects

Accelerated Bare Steel/Cast Iron Main & Service Line Replacements	\$34,705,323
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Total CIRT I, II and III: \$117,404,264

South Jersey Gas Company

CIRT I Projects

Accelerated Main Replacements

Replaced 72.9 miles of main and 1,716 services.

12" Atco-Stokes Road Pipeline

Replaced 6 miles of 6" steel pipe with 12" steel pipe in Waterford and Shamong Townships to improve delivery reliability.

16" CMCH – Burleigh Pipeline

Installed 3 miles of 16" diameter gas transmission line from Cape May Court House to Burleigh in Middle Township to improve delivery reliability. Replaced existing regulator station at the intersection of Shunpike and Indian Trail Road in Middle Township, at the southern terminus of the 16" CMCH-Burleigh Pipeline project.

20" Union Rd.-Rt. 50 Upgrade

Increased operating pressure of a 10 mile pipeline segment to increase flow capacity on the 20" transmission pipeline from the City of Vineland to Estell Manor Township to improve delivery reliability.

Install H-6 LNG Vaporizer

Installation of new vaporizer to improve peak shaving gas supply reliability at the McKee City Liquefied Natural Gas (LNG) Plant in Hamilton and Egg Harbor Townships.

CIRT II Projects

Accelerated Main Replacements

Replaced 79 miles of main and replaced 3,541 services.

12" Atlantic City Pipeline

Installed 2.1 miles of 12" pipeline extension along Absecon Boulevard, 1000' of 8" pipeline, and a new distribution district regulator to supply Atlantic City and Absecon Island from the Huron Avenue station to improve delivery reliability.

24" Black Horse Pike to Delilah Road

Installed 2.7 miles of 24" pipeline along Black Horse Pike and Fire Road in Egg Harbor Township to improve delivery reliability to the Pleasantville Station and Absecon Island

Absecon Island Ventnor Avenue Feeder Main

In Atlantic County, City of Ventnor replaced 4.5 miles intermediate pressure cast iron feeder main on Ventnor Avenue supplying the communities of Atlantic City, Ventnor, Margate and Longport.

Distribution District Regulator Upgrades

Upgraded 8 distribution district regulator facilities throughout the service territory to improve delivery reliability.

LNG Tank Foundation, Impoundment Dike, Security & Vapor Fence Safety Upgrades

Upgraded refurbishment of the existing LNG Tank foundation, liquid spill impoundment dike, vapor dispersion barrier fence, IR gas detection, and perimeter microwave security system.

Transmission System Retrofits & Valving

Replaced and/or retrofitted existing transmission and high pressure sectionalizing valving and piping components to accommodate in-line inspection tools.

Water Crossing Replacements at Oldman's Creek

Horizontal directional drill replacement of two parallel 8" pipelines (250/60) crossing Oldman's Creek between Gloucester and Salem Counties along NJ Route 130.

Absecon Island Ventnor Avenue Lateral Mains

In Atlantic County, City of Ventnor replaced 2.87 miles of low pressure bare steel and cast iron lateral mains associated with the Ventnor Avenue feeder main project.

CIRT III Projects

Accelerated Main Replacements

Replaced 43.9 miles of main and replaced 3,827 services.

South Jersey Gas Company
Base Revenues at Present and Proposed Rates

Component	Amount	Units	Present Rates		Proposed Rates		
			Rate	Revenue	Rate	Revenue	Increase
			RSG		RSG		
<u>Residential Service</u>							
Customer Charge	3,838,844	Bills	\$ 8.34	\$ 32,015,959	\$ 8.34	\$ 32,015,959	
Distribution Charge	248,823,226	Therms	0.4031	100,300,642	0.4322	107,541,398	
Distribution Charge (Air Conditioning)	117	Therms	0.4031	47	0.4322	51	
Total Class Base Revenues				\$ 132,316,649		\$ 139,557,408	5.5%
			GSG		GSG		
<u>General Service (0-100,000 Annual Therms)</u>							
Customer Charge	274,379	Bills	\$ 22.25	\$ 6,104,933	\$ 22.25	\$ 6,104,933	
Distribution Charge	93,352,947	Therms	0.3192	29,798,261	0.3483	32,514,831	
Distribution Charge (Air Conditioning)	619	Therms	0.3192	198	0.3483	216	
Total Class Base Revenues				\$ 35,903,391		\$ 38,619,980	7.6%
			GSG-LV		GSG-LV		
<u>General Service Large Volume (100,000 + Annual Therms)</u>							
Customer Charge	1,894	Bills	\$ 150.00	\$ 284,100	\$ 150.00	\$ 284,100	
Demand Charge	18,238	Therms	8.0000	1,750,848	8.0000	1,750,848	
Distribution Charge	29,969,098	Therms	0.1699	5,091,750	0.1990	5,963,851	
Total Class Base Revenues				\$ 7,128,698		\$ 7,998,799	12.2%
			CTS		CTS		
<u>Comprehensive Firm Transportation Service</u>							
Customer Charge	546	Bills	\$ 600.00	\$ 327,600	\$ 600.00	\$ 327,600	
Demand Charge	9,645	Therms	27.4213	3,173,741	27.4213	3,173,741	
Distribution Charge	28,195,743	Therms	0.0026	73,309	0.0317	893,805	
Total Class Base Revenues				\$ 3,574,650		\$ 4,395,146	23.0%
			LVS		LVS		
<u>Large Volume Service</u>							
Customer Charge	307	Bills	\$ 900.00	\$ 276,300	\$ 900.00	\$ 276,300	
Demand Charge	29,140	Therms	14.8842	5,204,707	14.8842	5,204,707	
Distribution Charge	93,845,065	Therms	0.0025	234,613	0.0316	2,965,504	
Total Class Base Revenues				\$ 5,715,620		\$ 8,448,511	47.8%

South Jersey Gas Company
Base Revenues at Present and Proposed Rates

Component	Amount	Units	Present Rates		Proposed Rates		
			Rate	Revenue	Rate	Revenue	Increase
			<u>EGS</u>		<u>EGS</u>		
<u>Electric Generation Service</u>							
Customer Charge	48 Bills		\$ 25.00	\$ 1,200	\$ 25.00	\$ 1,200	
Demand Charge	247 Therms		6.500	19,266	6.500	19,266	
Distribution Charge (Nov - Mar.)	183,875 Therms		0.0825	15,170	0.1116	20,520	
Distribution Charge (Apr - Oct.)	93,581 Therms		0.0525	4,913	0.0816	7,636	
Total Class Base Revenues				\$ 40,549		\$ 48,623	19.9%
			<u>EGS-LV</u>		<u>EGS-LV</u>		
<u>Electric Generation Service - Large Volume</u>							
Customer Charge	18 Bills		180.000	38,880	180.00	38,880	
Demand Charge	2,100 Therms		14.573	367,250	14.5734	367,250	
Distribution Charge	3,507,086 Therms		-	-	0.0291	102,056	
Total Class Base Revenues				\$ 406,130		\$ 508,186	25.1%
TOTAL BASE REVENUES				\$ 185,083,686		\$ 199,574,652	7.8%
						INCREASE	14,490,966
						TARGET INCREASE	14,484,415
						Difference	\$6,552

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

**IN THE MATTER OF THE ANNUAL
FILING OF SOUTH JERSEY GAS
COMPANY TO ADJUST RATES AS A
RESULT OF ITS CAPITAL INVESTMENT
RECOVERY TRACKER (“CIRT”) AND TO
ELIMINATE THE CIRT**

BPU DOCKET NO. GR12100890

**IN THE MATTER OF THE PETITION OF
SOUTH JERSEY GAS COMPANY TO
MODIFY AND EXTEND ITS EXISTING
CAPITAL INVESTMENT RECOVERY
TRACKER (“CIRT II”) PURSUANT TO
N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1**

BPU DOCKET NO. GO11100632

**IN THE MATTER OF THE ANNUAL
FILING OF SOUTH JERSEY GAS
COMPANY TO ADJUST ITS CAPITAL
INVESTMENT RECOVERY TRACKER
 (“CIRT”)**

BPU DOCKET NO. GR11060334

STIPULATION

APPEARANCES:

Ira G. Megdal, Esquire and Stacy A. Mitchell, Esquire (Cozen O’Connor, attorneys) for South Jersey Gas Company (“Petitioner”)

Felicia Thomas-Friel, Deputy Rate Counsel, Henry M. Ogden and James W. Glassen, Assistant Deputy Rate Counsel on behalf of the New Jersey Division of Rate Counsel (“Rate Counsel”) (Stefanie A. Brand, Director)

Alex Moreau and Veronica Beke, Deputy Attorneys General, on behalf of the Staff of the Board of Public Utilities (“Staff”) (John J. Hoffman, Acting Attorney General of New Jersey)

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

1. In October 2008, in response to the worldwide economic downturn, the State sought ways to mitigate its effects on New Jersey. South Jersey and the State's other electric and gas public utilities were asked to participate in plans to provide immediate economic assistance for New Jersey residents and simultaneously promote long-term reliable infrastructure, for continued economic benefits in the future.

2. South Jersey responded to this request by filing a petition on January 20, 2009 (Docket No. GO09010051) (1) proposing to accelerate necessary construction projects from future periods to improve and enhance the Company's gas transmission and distribution infrastructure; (2) seeking the Board's approval of investments in the Qualifying Projects; and (3) seeking the Board's approval of a tracker mechanism that would allow the Company the opportunity to earn a return of and return on those investments in Qualifying Projects ("CIRT I Petition").

3. South Jersey's filing was consistent with the Board's policy of guiding the State toward a responsible energy future with adequate, reliable energy supplies that are both environmentally responsible and competitively priced. The filing was made pursuant to the statutory authority granted in N.J.S.A. 48:2-21.1, sometimes referred to as the "Negotiation Statute."

4. On April 16, 2009 the Board issued a Decision and Order in Docket No. GO09010051 accepting a Stipulation of the parties and implementing the Capital Investment Recovery Tracker ("CIRT") mechanism of South Jersey (the "CIRT I Order"). The Board's Order established an initial CIRT rate of \$0.0094 per therm, including taxes. It further provided

that prior to the establishment of any annual CIRT rate thereafter, there would be public notice and hearings, and the opportunity for discovery and comments.

5. On November 6, 2009, South Jersey filed its first required annual CIRT filing (Docket No. GR09110907) pursuant to the CIRT I Order. The Company sought an increase of the CIRT rate from \$0.0094 per therm to \$0.0224 per therm, including taxes.

6. By Decision and Order Approving Stipulation in Docket No. GR09110907, dated December 17, 2009, the Board approved, effective January 1, 2010, the stipulation for a provisional CIRT rate of \$0.0224 that had been entered into by South Jersey, Rate Counsel and Board Staff.

7. By Board Order dated September 17, 2010, in the Company's base rate case (Docket GR10010035) ("Rate Case"), certain CIRT Qualifying Projects were rolled into the Company's rate base.

8. Additionally, in the Rate Case, the Parties agreed that South Jersey would be permitted to continue the recovery of approximately \$23.1 million of CIRT I Qualifying Projects through the CIRT tracker mechanism. These Qualifying Projects remained in the CIRT, subject to a prudence review of costs associated with those projects in the forthcoming Phase II portion of the Rate Case. As a result of the Rate Case order, the current CIRT rate set forth in South Jersey's tariff is \$0.0044 per therm, including taxes.

9. On October 22, 2010, South Jersey filed with the Board, a Petition (Docket No. GR10100765) seeking the authority to make its annual adjustment to its CIRT charge and seeking to extend its CIRT for three (3) additional years ("CIRT II Petition").

10. In the CIRT II Petition, South Jersey stated that the Company's CIRT mechanism has been demonstratively beneficial, and, as a result, South Jersey proposed in the Petition to

implement a new CIRT rate commencing January 1, 2011, and to extend the CIRT program through 2011, 2012 and 2013.

11. South Jersey stated that this extension would continue to have the beneficial effects of promoting jobs on a current basis and providing an improved utility infrastructure, so as to permit long-term growth of employment and economic benefits for New Jersey for the foreseeable future.

12. The parties to that proceeding, South Jersey, Rate Counsel and Board Staff (collectively, the "Parties") held several settlement discussions to address the resolution of various issues and entered into a Stipulation of Settlement dated March 29, 2011, whereby the Company was authorized to spend \$60.3 million on Qualified Projects by October 31, 2012.

13. The Parties also agreed that the Company would make two filings in order to recover the revenue requirements associated with CIRT II investments through CIRT Rate Adjustments to base rates (the "CIRT Rate Adjustment Petitions"). The first CIRT Rate Adjustment Petition was required to be filed with the Board on or before June 30, 2011 to be effective October 1, 2011, and the second CIRT Rate Adjustment Petition was required to be filed with the Board on or before October 31, 2012, to be effective on January 1, 2013.

14. The Parties agreed that the first CIRT Rate Adjustment would establish an incremental adjustment to base rates based on the revenue requirements associated with the Company's investments in all CIRT II Qualifying Projects as of August 31, 2011. Specifically, the revenue requirements would reflect all CIRT II Qualifying Project investments that were reflected in utility plant in service and in CWIP for accounting purposes and all associated capitalized AFUDC determined in accordance with the Stipulation.

15. The Parties further agreed that the second CIRT Rate Adjustment would establish an incremental adjustment to base rates based on the revenue requirements associated with the Company's investments in all CIRT II Qualifying Projects from September 1, 2011 to October 31, 2012.

16. The Parties agreed that the first and second CIRT Rate Adjustments would provide the Company with the following revenue requirement recovery:

- a) Rate of return on all Qualifying Project Investments as adjusted for accumulated depreciation and accumulated deferred income taxes at the Pre-Tax Adjusted weighted-average cost of capital rate of 11.63%.
- b) Depreciation expense recovery at an annual composite depreciation rate of 2.24% for all CIRT investments.
- c) A revenue factor to reflect a gross-up for uncollectibles, PUA and New Jersey sales taxes of 1.07834.
- d) The calculation of the revenue requirement shall be determined in the same manner as the example calculations set forth in Appendix B to the Stipulation in Docket No. GR10100765.

17. The Parties agreed that the revenue requirements associated with the first CIRT Rate Adjustment would be recovered through an equal per therm increase to the distribution charge of all firm rate classes and that increment to base rates shall be calculated on the basis of the billing determinants used to establish current base rates as set forth in Schedule E to the Board-approved Stipulation dated September 17, 2010 in the Rate Case. The Parties also agreed that the margin revenue factors set forth in the Company's CIP and TAC tariffs would be updated to match the change to the base rates.

18. The Stipulation of Settlement of the CIRT II Petition was approved by Board Order dated March 31, 2011.

19. On June 1, 2011, the Company filed its first CIRT Rate Adjustment Petition (Docket No. GR11060334) (“First CIRT Rate Adjustment Petition”) as required by the Stipulation of Settlement in CIRT II.

20. Rate Counsel and Staff propounded discovery, which was answered by the Company. The First CIRT Rate Adjustment Petition is still pending and the Company is seeking to resolve all outstanding issues regarding the First CIRT Rate Adjustment Petition through this Stipulation.

21. On October 4, 2011, the Company filed a Petition seeking Board approval to modify and extend the existing Board-approved CIRT II (Docket No. GO11100632) (“CIRT III Petition”). Specifically, the Company sought to spend an incremental \$40 million in 2012 and extend the CIRT program to December 31, 2012, as well as to spend an incremental \$50 million in 2013, all on the accelerated replacement of bare steel and cast iron main, and associated services.

22. The CIRT III Petition was resolved by Stipulation dated March 13, 2012, whereby the parties agreed that the Company would be permitted to spend an incremental \$35 million by December 31, 2012, that CIRT III would utilize the same Accounting Methodology and Revenue Requirement Recovery agreed upon for CIRT II¹, and that a base rate of \$0.0107 per therm, including taxes, associated with CIRT III investments would be implemented on March 1, 2013.

23. On October 4, 2012, the Company filed its second CIRT Rate Adjustment Petition (Docket No. GR12100890) (“Second CIRT Rate Adjustment Petition”) as required by the Stipulation of Settlement in CIRT II. The Second CIRT Rate Adjustment Petition sought to roll into base rates effective January 1, 2013 the entirety of the CIRT II investments of \$60.3 million.

¹ The CIRT III Stipulation provided that the Company would update its AFUDC Accrual Rate to reflect the cost of an April 2012 issuance of \$35 million of long-term debt. The AFUDC accrual rate was updated as required and the Board and Rate Counsel were notified of the updated AFUDC accrual rate by way of letter dated June 1, 2012.

24. The Second CIRT Rate Adjustment Petition also sought to (1) resolve all outstanding issues remaining open in Phase II of the Rate Case (Docket No. GR10010035) and roll into base rates effective January 1, 2013 the incremental \$22.5 million of CIRT I investments that remain pending in Phase II of the Rate Case; (2) eliminate the CIRT tracker mechanism; (3) resolve all outstanding issues in the First CIRT Rate Adjustment Petition (Docket No. GR11060334); and (4) modify the CIRT III Stipulation (Docket No. GO11100632) to reflect that an incremental \$27.8 million of CIRT III will be rolled into base rates effective January 1, 2013 and that the remaining portion of CIRT III, consisting of investments made from October 1, 2012 to December 31, 2012, will be rolled into base rates effective October 1, 2013.

25. In addition to the public hearings associated with the CIRT Petition, the CIRT II Petition, the CIRT III Petition and the Rate Case, two public hearings were held on December 3, 2012 in Voorhees, New Jersey regarding all rate changes proposed by the matters identified herein. The Notices of these hearings were published in newspapers of general circulation throughout South Jersey's service territory and sent via certified mail to the municipal and freeholder clerks, and county executives, where appropriate, in the municipalities and counties in South Jersey's territory twenty days in advance of the hearings. No members of the public attended these hearings.

26. On May 10, 2013, the Company filed a Supplemental Petition to amend the CIRT Roll-in Petition to include all CIRT III investments, totaling \$34.8 million. In an effort to avoid multiple rate changes, the Company requested, by way of the Supplemental Petition, that roll-ins and associated base rate changes take place on October 1, 2013 to coincide with the Company's Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) rate adjustments.

27. Two public hearings associated with the Supplemental Petition were held on August 7, 2013 in Voorhees, New Jersey regarding all rate changes proposed by the matters identified herein. The Notices of these hearings were published in newspapers of general circulation throughout South Jersey's service territory and sent via certified mail to the municipal and freeholder clerks, and county executives, where appropriate, in the municipalities and counties in South Jersey's territory twenty days in advance of the hearings. No members of the public attended these hearings.

28. Discovery was propounded and answered by the Company.

29. The parties have held settlement discussions on all of these matters. As a result of these discussions, the Parties have stipulated to and agreed upon the following issues.

STIPULATED MATTERS

30. The Parties stipulate that the Board should approve the Company's request to roll into base rates, effective October 1, 2013, CIRT II and CIRT III investments of \$60.2 million and \$34.7 million, respectively, and to resolve all outstanding issues from the pending First CIRT Rate Adjustment Petition.

31. For clarification of the accounting and ratemaking treatment of AFUDC for qualifying CIRT II and CIRT III projects, the following shall apply and shall supersede all prior Stipulations regarding this topic:

- a. For accounting purposes, AFUDC shall cease at the time a project is placed in service (when natural gas is reintroduced into the Company's gas distribution system). Once in service, and until rolled into base rates, the Company will accrue to utility plant a carrying cost of 7.98% on qualifying CIRT II investments and 7.72% on qualifying CIRT III investments.
- b. The accrued carrying costs will be simultaneously rolled into rate base along with the plant and AFUDC.

32. The Parties stipulate to the below rates and billing impacts for all firm rate classes. The rate change associated with the roll-in of \$22.5 million of CIRT I investments is included below for illustrative purposes only. The CIRT I roll-in and resolution of Phase II of the Rate Case is not the subject of this Stipulation, but is the subject of a Stipulation before Judge Braswell in Board Dockets Nos. GO09010051 and GR10100765, dated the same date as this Stipulation.

	CIRT I	CIRT II	CIRT III	TOTAL
Amount of Capital Spend	\$22.5	\$60.2	\$34.7	\$117.4
Revenue Requirement	\$3.0	\$7.8	\$4.7	\$15.5
Rate Including Tax	\$0.0060	\$0.0157	\$0.0095	\$0.0312
Rate Excluding Tax	\$0.0056	\$0.0146	\$0.0089	\$0.0291
<u>Bill Impact (100 Therm RSG HEAT)</u>				
Dollar Increase	\$0.16	\$1.57	\$0.95	\$2.68
Percentage Increase	0.12%	1.20%	0.72%	2.04%

33. After giving effect to this Stipulation and the Stipulation before Judge Braswell in Board Docket Nos. GO09010051 and GR10100765, the Parties stipulate that the net increase of \$.0016 resulting from the CIRT I base rate increase and the elimination of the CIRT tracker, as reflected in the above referenced chart, is based upon two different sets of billing determinants in determining the rates. In determining the CIRT tracker rate of \$0.0044, during the pendency of the Company's last base rate case, billing determinants of 698,565,684 were used. In determining the CIRT I base rate increase of \$0.0060, the billing determinants (497,786,746) utilized in the Company's most recent base rate case settlement were used.

34. After giving effect to this Stipulation and the Stipulation before Judge Braswell in Board Docket Nos. GO09010051 and GR10100765, the Parties stipulate that the Company's base rates will increase by \$0.0312 per therm, including taxes, and the Company's CIRT rate of \$0.0044 will be eliminated.

35. After giving effect to this Stipulation and the Stipulation before Judge Braswell in Board Dockets Nos. GO09010051 and GR10100765, the Parties stipulate that South Jersey shall increase base rates for all firm rate classes by \$0.0312 per therm, including taxes, effective October 1, 2013.

MISCELLANEOUS

36. This stipulation represents a mutual balancing of interests and therefore is intended to be accepted and approved in its entirety. In the event this Stipulation is not adopted in its entirety by the Board, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

37. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purposes of this proceeding. Except as expressly provided herein, nothing agreed to in this Stipulation by Petitioner, Board Staff, or Rate Counsel shall be deemed to be precedential in any other proceeding nor shall any principle or methodology underlying this Stipulation be deemed precedential in any other proceeding.

38. Attached hereto are the following Exhibits:

Exhibit A: Initial tariff sheets applicable to this matter. Within ten (10) days of a Board Order accepting this Stipulation, the Company will make a compliance filing of such tariff sheets with the Board.

Exhibit B: Revenue Requirements for CIRT I, II and III projects entering rate base.

Exhibit C: Listing of CIRT I, II, and III projects entering rate base by name and investment amount.

Exhibit D: Description of CIRT I, II and III projects entering rate base, by project.

Exhibit E: Revenues at present and proposed rates.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms thereof, as soon as reasonably possible.

SOUTH JERSEY GAS COMPANY

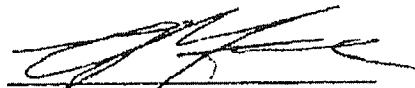
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DIVISION OF RATE COUNSEL

Stefanie Brand, Esq.

Director

By:



Henry M. Ogden
Assistant Deputy Rate Counsel

Dated: September 6, 2013

SOUTH JERSEY GAS COMPANY

Second Revised Sheet No. 2
Superseding First Revised Sheet No. 2

B.P.U.N.J. No. 10 - GAS

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

**Ninth Revised Sheet No. 6
Superseding Eighth Revised Sheet No. 6**

RESIDENTIAL SERVICE (RSG)

APPLICABLE TO USE OF SERVICE FOR:

All residential purposes. Customer may elect Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service RSG, a customer must hold clear and marketable title to gas that is made available for delivery to the customer's residence on the Company's system.

CHARACTER OF SERVICE Firm Sales Service and Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:		\$8.9238 per month
Delivery Charge:		
(a) All consumption for customers who elected to transfer from Firm Sales Service to Firm Transportation Service		\$.6280042 per therm
(b) All consumption for customers who elect Firm Sales Service		\$.6280042 per therm
Basic Gas Supply Service ("BGSS") Charge: All consumption for customers who elect Firm Sales Service.		See Rider "A" of this Tariff.

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider "A" of this Tariff.
Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Transportation Initiation Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "C" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
Temperature Adjustment Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "F" of this Tariff.

1) Please refer to Appendix (A for components of Monthly Rates and Price to Compare

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

**Ninth Revised Sheet No. 10
Superseding Eighth Revised Sheet No. 10**

GENERAL SERVICE (GSG)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule. A customer qualifying for service under Rate Schedule GSG may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG, 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 or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$23.8075 per month

Delivery Charges:

- (a) All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service

All therms \$~~.5391423~~ per therm

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

All therms \$~~.5391423~~ per therm

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect Firm Sales Service

See Rider "A" of this Tariff.

LINE LOSS:

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

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

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 11
Superseding Original Sheet No. 11

B.P.U.N.J. No. 10 - GAS

GENERAL SERVICE (GSG)
(Continued)

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider "A" of this Tariff.
Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Transportation Initiation Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "C" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
Temperature Adjustment Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "F" of this Tariff.
Economic Development Rate Clause:	The rates set forth above are subject to adjustment, as is appropriate, pursuant to Rider "H" of this Tariff.
Balancing Service Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "J" of this Tariff.
Conservation Incentive Program	CIP charges are depicted in Rider "M" of this Tariff.
Energy Efficiency Tracker	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a nonbusiness day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

TERM:

Customer may discontinue service upon written notice to the Company, pursuant to the terms of the Company's Standard Gas Service Agreement (GS), if applicable, otherwise, in order to effectuate a termination, customer must provide adequate notice to the Company.

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B.P.U.N.J. No. 10 - GAS

Ninth Revised Sheet No. 14
Superseding Eighth Revised Sheet No. 14

GENERAL SERVICE - LARGE VOLUME (GSG-LV)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule (other than Rate Schedule GSG), and who has an annualized usage of 100,000 therms or more. A customer qualifying for service under Rate Schedule GSG-LV may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG-LV, 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 or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$160.50 per month

Delivery Charges:

- (a) All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service ⁽²⁾

Demand Charge:

D-1FT: \$8.5600 per Mcf of Contract Demand

Volumetric Charge:

C-1FT: ~~\$3.793526~~ per therm

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

Demand Charge:

D-1: \$8.5600 per Mcf of Contract Demand

Volumetric Charge:

C-1: ~~\$3.793526~~ per therm

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

⁽²⁾ See Special Provision (p) of this Rate Schedule GSG-LV, regarding appropriate balancing charges.

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 15
Superseding Original Sheet No. 15

B.P.U.N.J. No. 10 - GAS

GENERAL SERVICE (GSG-LV)
(Continued)

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect
Firm Sales Service

See Rider "A" of this Tariff.

LINE LOSS:

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

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider "A" of this Tariff.
Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Transportation Initiation Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "C" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
Temperature Adjustment Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "F" of this Tariff.
Economic Development Rate Clause:	The rates set forth above are subject to adjustment, as is appropriate, pursuant to Rider "H" of this Tariff.
Balancing Service Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "J" of this Tariff. However, see also Special Provision (l) regarding Rider "I".
Conservation Incentive Program	CIP charges are depicted in Rider "M" of this Tariff.
Energy Efficiency Tracker	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

**Ninth Revised Sheet No. 19
Superseding Eighth Revised Sheet No. 19**

COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

APPLICABLE TO USE OF SERVICE FOR:

All customers having a Firm Contract Demand, and an average annual daily Firm usage of 100 Mcf per day or more. To be eligible for service under this Rate Schedule CTS, 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. Provided, however, that any customer receiving service under this Rate Schedule CTS prior to August 29, 2003 shall continue to be eligible to receive service under this Rate Schedule CTS, notwithstanding the foregoing, if said customer continues to have a Firm Contract Demand of 100 Mcf per day or more. Further provided, however, that if a customer ceases to receive service under this Rate Schedule CTS, and seeks to return to service under this Rate Schedule CTS, said customer must meet all requirements for eligibility as though applying for service in the first instance.

CHARACTER OF SERVICE:

Firm Transportation Service and Limited Firm Transportation Service

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge: \$642.00 per month

Delivery Charges:

Demand Charge: D-1FT: \$29.3408 per Mcf of Contract Demand

Volumetric Charges:

C-1FT:

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service

\$~~1396129~~ per therm

Limited Firm:

Customer Charge: \$107.00 per month

Delivery Charges:

Volumetric Charges:

C-1FT:

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service

\$~~1682415~~ per therm

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

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 20
Superseding Original Sheet No. 20

B.P.U.N.J. No. 10 - GAS

COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

(Continued)

APPLICABLE RIDERS:

Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
Balancing Service Clause:	All gas delivered to Customers under this Rate Schedule CTS is subject to Rider "I" of this Tariff
Energy Efficiency Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

LINE LOSS:

Line loss shall be 1.43% as provided in Special Provision (q).

MINIMUM BILL:

Sum of monthly customer charge and monthly demand charge, irrespective of use.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a nonbusiness day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

TERM:

Customer may discontinue service upon written notice to the Company, pursuant to the conditions of the Company's Standard Gas Service Agreement (LV).

TERMS AND CONDITIONS:

The General Terms and Conditions of this Tariff are incorporated into this rate schedule and this rate schedule shall be interpreted in accordance therewith.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

**Ninth Revised Sheet No. 27
Superseding Eighth Revised Sheet No. 27**

LARGE VOLUME SERVICE (LVS)

APPLICABLE TO USE OF SERVICE FOR:

Firm Sales Service and Firm Transportation Service pursuant to this Rate Schedule LVS, shall be available to all Industrial Customers with a Contract Demand and a minimum annualized average use of 200 Mcf per day. To be eligible for Firm Transportation Service under this Rate Schedule 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, Limited Firm Sales Service, Firm Transportation Service, and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge:
\$963.00 per month

Delivery Charge:

- (a) All consumption for customers who elected to transfer from Firm Sales Service to Firm Transportation Service

Demand Charge: D-1FT: \$15.9261 per Mcf of Contract Demand

Volumetric Charge: C-1FT: \$.~~1395~~128 per therm

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

Demand Charge: D-1: \$15.9261 per Mcf of Contract Demand

Volumetric Charge: C-1: \$.~~1395~~128 per therm

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

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SOUTH JERSEY GAS COMPANY

Ninth Revised Sheet No. 28

B.P.U.N.J. No. 10 - GAS

Superseding Eighth Revised Sheet No. 28

LARGE VOLUME SERVICE (LVS)

(continued)

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: \$13.4618 per Mcf of Contract Demand.

Volumetric Charge:

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

Limited Firm:

Customer Charge:

\$107.00 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: \$.~~2069~~1802 per therm

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

Volumetric Charge:

C-1FT: \$.~~2069~~1802 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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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 29
Superseding Original Sheet No. 29

B.P.U.N.J. No. 10 - GAS

LARGE VOLUME SERVICE (LVS)
(continued)

MINIMUM BILL:

Sum of monthly Customer Charge and monthly Demand Charges, irrespective of use.

APPLICABLE RIDERS:

- Basic Gas Supply Service Clause: The C-2 rate is depicted in Rider "A" of this Tariff.
- ~~Capital Investment Recovery Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~
- Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
- Economic Development Rate Clause: The rates set forth above are subject to adjustment, as is appropriate, pursuant to Rider "H" of this Tariff.
- Balancing Service Clause: All gas delivered to Customers under this Rate Schedule LVS is subject to Rider "I", of this Tariff.
- Energy Efficiency Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a nonbusiness day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

TERM:

Customer may discontinue service upon written notice to the Company, pursuant to the conditions of the Company's Standard Gas Service Agreement (LV).

TERMS AND CONDITIONS:

The General Terms and Conditions of this Tariff are incorporated into this rate schedule and this rate schedule shall be interpreted in accordance therewith.

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SOUTH JERSEY GAS COMPANY

Seventh Revised Sheet No. 33
Superseding Sixth Revised Sheet No. 33

B.P.U.N.J. No. 10 - GAS

FIRM ELECTRIC SERVICE (FES)

APPLICABLE TO USE OF SERVICE FOR:

All gas that is purchased or transported to generate electricity. Provided, however, that in order to qualify for this Rate Schedule FES, a customer must have a Winter Daily Contract Demand of 1,000 Mcf per day or more, or a Summer Daily Contract Demand of 2,000 Mcf per day or more, or both. To be eligible for Firm Transportation Service under this Rate Schedule FES, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service.

MONTHLY RATE ⁽¹⁾⁽²⁾

WINTER (November – March):

Demand Charge:

- D-1 \$3.1000 per Mcf of Winter Daily Contract Demand
- D-2 \$6.7310 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.1334067 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: \$.1432 per therm of consumption
 - C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.
- Minimum Bill:** The monthly D-1 and D-2 charges, irrespective of use.

SUMMER (April – October):

Demand Charge:

- D-1 \$3.1000 per Mcf of Summer Daily Contract Demand
- D-2 \$6.7310 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.1334067 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: \$.1432 per therm of consumption
- C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.

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

⁽²⁾ Please refer to Special Provision (p)

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 34

B.P.U.N.J. No. 10 - GAS

Superseding Original Sheet No. 34

FIRM ELECTRIC SERVICE (FES)

(Continued)

MINIMUM BILL: The monthly D-1 and D-2 charge, irrespective of use.

LINE LOSS:

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

APPLICABLE RIDERS:

Basic Gas Supply Clause:	The C-2 Rate is depicted on Rider A to this tariff, and is subject to adjustment pursuant to Special Provision (x) of this Rate Schedule.
Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Customer Owned Gas Clause:	The C-2 Volumetric Charge is subject to adjustment, pursuant to Rider "D" of this Tariff, if the customer so requests in an executed Standard Gas Service Agreement (FES).
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
Energy Efficiency Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a non-business day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

TERM:

Customer may discontinue service upon written notice to the Company, pursuant to the conditions of the Company's Standard Gas Service Agreement (FES).

TERMS AND CONDITIONS:

The General Terms and Conditions of this Tariff are incorporated into this rate schedule and this rate schedule shall be interpreted in accordance therewith.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

**Seventh Revised Sheet No. 40
Superseding Sixth Revised Sheet No. 40**

ELECTRIC GENERATION SERVICE (EGS)

APPLICABLE TO USE OF SERVICE FOR:

Residential, commercial and industrial uses for 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, a customer must have a Firm Daily Contract Demand of less than 200 Mcf per day; provided, however, that a residential EGS customer will have no Firm Daily Contract Demand. To be eligible for Firm Transportation Service under this Rate Schedule EGS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service

MONTHLY RATE: ⁽¹⁾⁽²⁾

Residential Customer Charge:

\$8.9238 per month

Residential Delivery Charge

Residential Volumetric Charge:

\$2.83567 per therm

Commercial and Industrial Customer Charge:

\$26.75 per month

Commercial and Industrial Delivery Charge:

Commercial and Industrial Demand Charge:

D-1 Charge:

\$6.9550 per Mcf of contract

Volumetric Charges:

Winter Season (effective during billing months of November through March):

All Consumption for Firm Sales Service

\$2.722455 per therm

All Consumption for Firm Transportation Service

\$2.722455 per therm

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

⁽²⁾ See Special Provision (k) of this Rate Schedule EGS, regarding appropriate balancing charges.

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SOUTH JERSEY GAS COMPANY

Seventh Revised Sheet No. 41

B.P.U.N.J. No. 10 - GAS

Superseding Sixth Revised Sheet No. 41

ELECTRIC GENERATION SERVICE (EGS)
(Continued)

Summer Season (effective during billing months of April through October):

All Consumption for Firm Sales Service \$240134 per therm

All Consumption for Firm Transportation Service \$2401434 per therm

Basic Gas Supply Service ("BGSS") Charge:

All Consumption See Rider "A" of this Tariff.

LINE LOSS:

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

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:

BGSS charges are depicted in Rider "A" of this Tariff.

~~Capital Investment Recovery Tracker:~~

~~The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~

Societal Benefits Clause:

The rates set forth above have been adjusted, pursuant to Rider "E" of this Tariff.

Balancing Service Clause

The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "J" of this Tariff. However, also see Special Provision (k) regarding Rider "I".

Energy Efficiency Tracker:

The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a non-business day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

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SOUTH JERSEY GAS COMPANY

Seventh Revised Sheet No. 45
Superseding Sixth Revised Sheet No. 45

B.P.U.N.J. No. 10 - GAS

ELECTRIC GENERATION SERVICE - LARGE VOLUME (EGS-LV)

APPLICABLE TO USE OF SERVICE FOR:

All commercial and industrial electric generation facilities; all Prime Movers and all engine driven equipment (whether or not used for electric generation). Provided, however, that in order to be eligible for this Rate Schedule EGS-LV, a customer must have a Firm Daily Contract Demand of 200 Mcf per day or more. To be eligible for Firm Transportation Service under this Rate Schedule EGS-LVS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service, Firm Transportation Service, Limited Firm Sales Service and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:
\$192.60 per month

FIRM:

Demand Charges: ⁽²⁾

D-1 \$15.5935 per Mcf of Firm Daily Contract Demand.
D-2 \$15.2755 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge:

C-1: \$.1334067 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 \$6.7310 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

Volumetric Charge: ⁽²⁾

C-1: \$.1334067 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 \$.1432 per therm for all consumption within Limited Firm Contract Demand level.¹

Minimum Bill: Monthly D-2 charge, irrespective of use.

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

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

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

**First Revised Sheet No. 46
Superseding Original Sheet No. 46**

**ELECTRIC GENERATION SERVICE – LARGE VOLUME (EGS-LV)
(Continued)**

LINE LOSS

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

APPLICABLE RIDERS:

- Basic Gas Supply Service Clause: The C-2 rate is depicted in Rider "A" of this Tariff.
- ~~Capital Investment Recovery Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~
- Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
- Customer Owned Gas Clause: The Firm and Limited Firm C-2 Volumetric Charges are subject to adjustment, pursuant to Rider "D" of this Tariff, if so elected in an executed Standard Gas Service Agreement (EGS-LV).
- Balancing Service Clause: All gas delivered to customers under this Rate Schedule EGS-LV is subject to Rider "I" of this Tariff.
- Energy Efficiency Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

All rates, except for the Firm and Limited Firm C-2 Volumetric Charges, are subject to Special Provision (e) of this Rate Schedule (EGS-LV).

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a nonbusiness day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

TERM:

Customer may discontinue service upon written notice to the Company, pursuant to the conditions of the Company's Standard Gas Service Agreement (EGS-LV). The Company will continue service, and take all steps it deems reasonable to provide such service during the term specified in the Standard Gas Service Agreement (EGS-LV). Provided, however, that each year effective November 1 such agreement is subject to revision by the Company to reflect its ability to continue service at Standard Gas Service Agreement (EGS-LV) levels. No change in service level shall be effective unless the Company notifies the customer on or before May 1 of any year. Based upon such review, the Company may advise the customer that the Company cannot provide service at such levels for the ensuing 12 month period, and further advise the customer as to what levels of service the

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 53
Superseding Original Sheet No. 53

B.P.U.N.J. No. 10 - GAS

INTERRUPTIBLE GAS SERVICE (IGS)

APPLICABLE TO USE OF SERVICE FOR:

Interruptible uses of gas by all customers.

CHARACTER OF SERVICE:

Interruptible Sales Service.

Service will be provided when the Company in its sole reasonable discretion deems sufficient gas supplies to be available for said service. Service may be interrupted or curtailed at the sole option of the Company after not less than three (3) hours advanced notice by telephone or otherwise. During periods of interruption, the Company may permit the continued use of gas for pilots. When permitted, such usage shall not be subject to the terms of Special Provision (b) of this rate schedule.

MONTHLY RATE:

- (a) The rate per therm of gas under this Rate Schedule, IGS, shall be designed to yield at least a profit of \$.01 per therm, after consideration of Costs Applicable.
- (i) For a customer that certifies that it has, or is capable of having, an Alternate Fuel Capability of No. 6 oil, the appropriate price shall be that of No. 6 oil; or
- (ii) For a customer that certifies that it has, or is capable of having, an Alternate Fuel Capability of No. 4 oil, the appropriate price shall be that of No. 4 oil; or
- (iii) For a customer that does not certify that it has, or is capable of having, an Alternate Fuel Capability of No. 4 oil or No. 6 oil, the appropriate price shall be that of No. 2 oil.
- (iv) For a Rate Schedule FES customer, the appropriate price shall be price at which said customer certifies that it is able to purchase fuels.
- (b) RESERVED FOR FUTURE USE.
- (c) The rate set under this Rate Schedule shall be established on or about the 27th day of each calendar month for the month succeeding said calendar month. Provided, however, that such rate shall be filed with the Board at least three (3) business days prior to its effective date.

APPLICABLE RIDERS:

~~Capital Investment Recovery Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~

Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.

Energy Efficiency Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

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SOUTH JERSEY GAS COMPANY

Third Revised Sheet No. 57
Superseding Second Sheet No. 57

B.P.U.N.J. No. 10 - GAS

INTERRUPTIBLE TRANSPORTATION SERVICE (ITS)

APPLICABLE TO USE OF SERVICE FOR:

Interruptible uses of gas to customers who hold clear and marketable title to gas that is made available for transportation service on the Company's system. Pursuant to this Rate Schedule ITS, the Company shall transport gas made available for transportation from the Company's City Gate Station to a designated point of delivery.

CHARACTER OF SERVICE:

Interruptible Transportation Service.

MONTHLY RATE:

Service Charge:

\$107.00 per month

Billable for the duration of the Standard Gas Service Agreement (ITS). The Service Charge will not be prorated.

Transportation Charge:

- (a) For transportation of gas by customers served under Rate Schedules CTS, LVS, FES, or EGS-LV or industrial customers who have an annualized average interruptible use of 200 Mcf or more per day:
\$.0338 per therm
- (b) For transportation of gas by customers served under Rate Schedules GSG or GSG-LV that certify that they have an Alternate Fuel Capability of No. 6 oil.
\$.1031 per therm
- (c) For transportation of gas not qualified for delivery under Paragraph (a) or (b) of this Transportation Charge:
\$.1673 per therm

Line Loss:

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

APPLICABLE RIDERS:

Capital Investment Recovery Tracker: ~~The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.~~

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SOUTH JERSEY GAS COMPANY

Sixth Revised Sheet No. 62

B.P.U.N.J. No. 10 - GAS

Superseding Fifth Revised Sheet No. 62

NATURAL GAS VEHICLE (NGV)

APPLICABLE TO:

This service will be available to Commercial and Industrial customers who will utilize natural gas, for the purpose of providing vehicle fuel at Company-operated fueling stations or at separately metered customer-operated fueling stations.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service

COMPRESSED NATURAL GAS VEHICLE SERVICE AT COMPANY OPERATED FUELING STATIONS

This part of the service is available for refueling vehicles with compressed natural gas to customers who refuel at Company operated fueling stations. All service at Company operated fueling stations shall be Firm Sales Service.

Rate for Monthly Consumption

Volumetric Charge

| C-1: \$0.1334067 per therm (\$0.1667334 GGE*)

Distribution Charge: \$0.1122 per therm (\$0.1403 GGE*)

Compression Charge: \$0.5684 per therm (\$0.7105 GGE*)

Commodity Charges

All consumption for customers who elected Firm Sales Service

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect Firm Sales Service See Rider "A" of this Tariff.
BGSS rate * GGE Factor 1.25 = GGE

GGE indicates Gasoline Gallon Equivalent. The gasoline gallon equivalent shall be determined in accordance with local standards. The point of sale price to the customer shall be displayed in gasoline gallon equivalents; and shall be calculated as C-1 + Distribution Charge + Compression Charge + New Jersey Motor Vehicle Fuel Tax + Federal Excise Tax + BGSS.

Commodity charges do not include State of New Jersey Motor vehicle fuel tax and Federal Excise Tax. As of July 1, 2011 these taxes were \$0.0525 and \$0.183 per gallon, respectively and shall be charged at the prevailing rate when applicable. The Company is under no obligation to determine if a customer is exempt from taxation.

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SOUTH JERSEY GAS COMPANY

Sixth Revised Sheet No. 63

B.P.U.N.J. No. 10 - GAS

Superseding Fifth Revised Sheet No. 63

NATURAL GAS VEHICLE (NGV)
(continued)

NATURAL GAS VEHICLE SERVICE AT CUSTOMER OPERATED FUELING STATIONS

This part of the service is available for the sale of separately metered uncompressed gas for the use of the customer solely as a vehicle fuel as follows:

The customer agrees to obtain and maintain, at its expense, all necessary certificates, licenses and regulatory approvals and pay all taxes levied on the gas compressed for refueling the customer's vehicles;

If the customer provides natural gas for resale as a motor fuel, the customer will be responsible for collecting and paying all applicable taxes on the gas compressed for resale and for the metering of such sale in accordance with local standards and regulations; and

The customer executes a Standard Gas Service Agreement for not less than 12 months

Rate for Monthly Consumption

Monthly Customer Charge

The monthly customer charge shall be determined in accordance with the maximum delivery capability requested by the customer.

0-999 Cf/hour	\$40.13
1,000-4,999 Cf/hour	\$80.25
5,000-24,999 Cf/hour	\$214.00
25,000 and greater Cf/hour	\$642.00

Volumetric Charges

C-1: \$0.1334067 per therm (\$0.1667334 GGE)

Distribution Charge: \$0.1122 per therm (\$0.1403 GGE)

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect Firm Sales Service See Rider "A" of this Tariff

The customer shall pay all related motor vehicle taxes directly to the taxing entity. Such taxes shall be incremental to charges paid to the Company for the cost of receiving service under this rate schedule.

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SOUTH JERSEY GAS COMPANY

Sixth Revised Sheet No. 64

B.P.U.N.J. No. 10 - GAS

Superseding Fifth Revised Sheet No. 64

**NATURAL GAS VEHICLE (NGV)
(continued)**

DELIVERY SERVICE FOR NATURAL GAS VEHICLES

This part of service is available for delivery of customer owned natural gas for use in customer compression facilities, as follows:

The customer has purchased, or has agreed to purchase, under a contract with an initial term of not less than one year an adequate supply of natural gas of a quality acceptable to the Company, and has made, or has caused to be made, arrangements by which such volumes of natural gas can be delivered, into the Company's distribution system at the customer's expense.

The customer warrants that it has good and legal title to all gas supplied to the Company, and agrees to indemnify and hold the Company harmless from any loss, claims or damages in regard to such title.

Rate for Delivery Service

Monthly Customer Charge The monthly customer charge shall be determined in accordance with the maximum delivery capability requested by the customer.

0-999 Cf/hour	\$40.13
1,000-4,999 Cf/hour	\$80.25
5,000-24,999 Cf/hour	\$214.00
25,000 and greater Cf/hour	\$642.00

Volumetric Charge

C-1: \$0.1334067 per therm (\$0.1667334 GGE)

Distribution Charge: \$0.1122 per therm (\$0.1403 GGE)

Sales taxes are not included in the above basic charges. The Company is under no obligation to determine if a customer is exempt for taxation. Customers seeking tax exemption must file such verification with the Company.

APPLICABLE RIDERS FOR COMPANY OWNED AND CUSTOMER OWNED STATIONS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider "A" of this Tariff.
Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
Balancing Service Clause:	All gas transported under this Rate Schedule ITS is subject to balancing requirements pursuant to Rate Schedule CTS, Rider "I" or Rider "J" of this Tariff.
Energy Efficiency Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 71

B.P.U.N.J. No. 10 - GAS

Superseding Amended Original Sheet No. 71

RIDER "B"

~~CAPITAL INVESTMENT RECOVERY TRACKER ("CIRT")~~

APPLICABLE TO:

Rate Schedule RSG _____ Residential
 Rate Schedule GSG _____ General Service
 Rate Schedule GSG LV _____ General Service Large Volume
 Rate Schedule CTS _____ Comprehensive Transportation Service
 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 IGS _____ Interruptible Gas Service
 Rate Schedule ITS _____ Interruptible Transportation Service
 Rate Schedule NGV _____ Natural Gas Vehicle

~~This Rider "B" shall be known as the Capital Investment Recovery Tracker ("CIRT"). It shall be utilized to adjust the Company's monthly revenues in cases wherein the actual recoveries experienced vary from the calculated revenue requirement. It shall be utilized to earn a return on and a return of incremental infrastructure investments, including the capitalized costs related to CIRT projects. The calculation will use the weighted cost of capital and depreciation rates utilized in the Company's most recent base rate case.~~

~~The revenue requirement will be calculated using projected data and be subject to a true-up at the end of the year with simple interest on net over/under recoveries. Interest associated with over recoveries will be credited against the CIRT, while interest associated with under recoveries will be charged to the CIRT. The interest on CIRT under and over recoveries shall be the interest rate based on the Company's monthly weighted interest rate obtained on its commercial paper and/or bank credit lines.~~

~~This tracker will be effectuated through a volumetric rate applied to customers' bills. The Company shall make an annual CIRT rate filing by November 1st of each year. The CIRT rate shall be adjusted on or about each January 1st. CIRT rate adjustments shall be made pursuant to the Board's Order at Docket No. G009010051, dated April 28, 2009.~~

~~Rate Schedules subject to this Rider will be charged the following volumetric rate:~~

~~CIRT Factor per therm _____ \$0.0041~~

~~Applicable Revenue Tax Factor _____ 1.0022~~

~~CIRT Factor per therm _____ \$0.0041~~

~~Applicable NJ Sales Tax Factor _____ 1.07~~

~~CIRT Rate per therm with NJ Sales Tax _____ \$0.0044~~

RESERVED FOR FUTURE USE

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SOUTH JERSEY GAS COMPANY

First Revised Sheet No. 105
Superseding Original Sheet No. 105

B.P.U.N.J. No. 10 - GAS

CONSERVATION INCENTIVE PROGRAM (CIP)
(Continued)

rounded to the nearest whole number. Similarly, the Incremental Large Customer Count Adjustment for the GSG-LV customer class for the applicable month shall equal the aggregate connected load for all new active customers that exceed the 50,000 CFH threshold divided by 25,000 CFH, rounded to the nearest whole number.

- (ix) **Margin Revenue Factor** – the Margin Revenue Factor (“MRF”) shall be the base rate, as reflected in Appendix A to this Tariff, applicable to the Customer Class Groups to which the CIP applies, net of any applicable Riders, including taxes. The MRFs by Customer Class Group are as follows:

Group I (RSG non-heating):	\$0.4322034 per therm
Group II (RSG heating):	\$0.4322034 per therm
Group III (GSG):	\$0.3483192 per therm
Group IV (GSG-LV):	\$0.1990699 per therm

- (g) The annual filing for the adjustment to the CIP rate shall be concurrent with the annual filing for BGSS. The CIP factor shall be credited/collected on a per therm basis within the Delivery Charge for all service classifications stated above. The level of BGSS savings referenced in Special Provision (d) to this Rider “M” shall be identified in the annual CIP filing, and serve as an offset to the non-weather related portion of the CIP charge provided in Special Provision (g) to this Rider “M”. The Periodic and Monthly BGSS rates identified in Rider “A” to this tariff shall include the BGSS savings, as applicable.

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	<u>BASE RATE</u>	<u>TEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PIJA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
RESIDENTIAL GAS SERVICE (RSG)							
RESIDENTIAL FIRM TRANSFER SERVICE (RSG) - HEAT CUSTOMER							
Customer Charge	8.3400					0.5638	8.9238
CIP				0.0955	0.0002	0.0067	0.1024
Delivery Charge:							
COST OF SERVICE	0.4322	0.0102		0.0017	0.0000	0.0310	0.4734
TIC				0.0001		0.0001	0.0018
SBC:				0.0406	0.0001	0.0026	0.0435
CLEP				0.0254	0.0001	0.0017	0.0272
RAC				0.0172	0.0000	0.0012	0.0184
USF				0.0832	0.0002	0.0057	0.0891
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0009	0.0132
EET			0.0471		0.0001	0.0033	0.0506
BSC "J" BS-1			0.0471		0.0003	0.0410	0.5280
BSC "J" BUY-OUT PRICE - Rate set monthly	0.4322	0.0102	0.0471	0.0972			
Total							
RESIDENTIAL FIRM TRANSFER SERVICE (RSG) - HEAT CUSTOMER							
Customer Charge	8.3400					0.5638	8.9238
Basic Gas Supply Service (BGSS):			0.4966		0.0011	0.0346	0.5325
CIP				0.0955	0.0002	0.0067	0.1024
Delivery Charge:							
COST OF SERVICE	0.4322	0.0102		0.0017	0.0000	0.0310	0.4734
TIC				0.0001		0.0001	0.0018
SBC:				0.0406	0.0001	0.0028	0.0435
CLEP				0.0254	0.0001	0.0017	0.0272
RAC				0.0172	0.0000	0.0012	0.0184
USF				0.0832	0.0002	0.0057	0.0891
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0009	0.0132
EET			0.0471		0.0001	0.0033	0.0505
BSC "J" BS-1			0.0471		0.0003	0.0410	0.5280
Total							

SOUTH JERSEY GAS COMPANY
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	RESIDENTIAL FIRM TRANS SERVICE (RSGS) FTS NONHEAT CUSTOMER	RESIDENTIAL FIRM SALES SERVICE (RSGS) FTS NONHEAT CUSTOMER					
	BASE RATE	TEFA	BGSS	OTHER RIDERS	FMA	N.J. SALES TAX	TARIFF RATE
Customer Charge	8.3400					0.5838	8.9238
CIP				0.0608	0.0001	0.0036	0.0545
Delivery Charge:							
COST OF SERVICE	0.4322	0.0102		0.0017	0.0000	0.0310	0.4734
TIC						0.0001	0.0018
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0832	0.0002	0.0057	0.0891
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0009	0.0132
EET			0.0471		0.0001	0.0033	0.0505
BSC "J" BS-1							
BSC "J" BUY-OUT PRICE - Rate set monthly	0.4322	0.0102	0.0471	0.0972	0.0003	0.0410	0.6280
Total							
Customer Charge	8.3400					0.5838	8.9238
CIP				0.0608	0.0001	0.0036	0.0545
Delivery Charge:							
COST OF SERVICE	0.4322	0.0102		0.0017	0.0000	0.0310	0.4734
TIC						0.0001	0.0018
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0832	0.0002	0.0057	0.0891
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0123	0.0000	0.0009	0.0132
EET			0.0471		0.0001	0.0033	0.0505
BSC "J" BS-1							
Total	0.4322	0.0102	0.0471	0.0972	0.0003	0.0410	0.6280

SOUTH JERSEY GAS COMPANY
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	GENERAL SERVICE (GSS)	BASE RATE	TEFA	BGSS	OTHER RIDERS	PJA	NJ SALES TAX	TARIFF RATE
Customer Charge		22.2600					1.5575	23.8075
CIP					0.0642	0.0001	0.0045	0.0688
Delivery Charge:								
COST OF SERVICE		0.3483	0.0110				0.0252	0.3845
TIC					0.0017	0.0000	0.0001	0.0018
SBC:								
CLEP					0.0406	0.0001	0.0028	0.0435
RAC					0.0254	0.0001	0.0017	0.0272
USF					0.0172	0.0000	0.0012	0.0184
					0.0832	0.0002	0.0057	0.0891
Total SBC					0.0000	0.0000	0.0000	0.0000
TAC					0.0123	0.0000	0.0009	0.0132
EET								
BSC "J" BS-1				0.0471		0.0001	0.0033	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly								
Total		0.3483	0.0110	0.0471	0.0972	0.0003	0.0352	0.5391

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	BASE RATE	IEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE FIRM SALES (GSGSS) \$5,000,000 Terms Annually							
Customer Charge	22.2500					1.5775	23.8075
CIP				0.0642	0.0001	0.0045	0.0688
Basic Gas Supply Service (BGSS):			0.4966		0.0011	0.0348	0.5325
Delivery Charge:	0.3483	0.0110				0.0252	0.3845
COST OF SERVICE							
TIC				0.0017	0.0000	0.0001	0.0018
SBC:				0.0408	0.0001	0.0028	0.0435
CLEP				0.0254	0.0001	0.0017	0.0272
RAC				0.0172	0.0000	0.0012	0.0184
USF				0.0832	0.0002	0.0057	0.0891
TAC				0.0000	0.0000	0.0000	0.0000
EET				0.0123	0.0000	0.0009	0.0132
BSC *J* BS-1			0.0471	0.0001	0.0003	0.0033	0.0505
Total	0.3483	0.0110	0.0471	0.0972	0.0003	0.0352	0.5391

	BASE RATE	IEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE FIRM SALES (GSGSS) \$5,000,000 Terms Annually							
Customer Charge	22.2500					1.5775	23.8075
CIP				0.0642	0.0001	0.0045	0.0688
Basic Gas Supply Service (BGSS):			0.4966		0.0011	0.0348	0.5325
Delivery Charge:	0.3483	0.0110				0.0252	0.3845
COST OF SERVICE							
TIC				0.0017	0.0000	0.0001	0.0018
SBC:				0.0408	0.0001	0.0028	0.0435
CLEP				0.0254	0.0001	0.0017	0.0272
RAC				0.0172	0.0000	0.0012	0.0184
USF				0.0832	0.0002	0.0057	0.0891
TAC				0.0000	0.0000	0.0000	0.0000
EET				0.0123	0.0000	0.0009	0.0132
BSC *J* BS-1			0.0471	0.0001	0.0003	0.0033	0.0505
Total	0.3483	0.0110	0.0471	0.0972	0.0003	0.0352	0.5391

RATE SET MONTHLY

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	BASE RATE	IEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE RATE (GSGLEW)							
GENERAL SERVICE RATE (GSGLEW)							
Customer Charge	150.0000					10.5000	160.5000
D-1 Demand Charge	8.0000					0.5600	8.5600
CIP				0.0128	0.0000	0.0009	0.0138
Delivery Charge: COST OF SERVICE	0.1990	0.0110				0.0147	0.2247
TIC							
SBC:				0.0017	0.0000	0.0001	0.0018
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0632	0.0002	0.0057	0.0691
TAC				0.0000	0.0000	0.0000	0.0000
EET				0.0123	0.0000	0.0009	0.0132
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly	0.1990	0.0110	0.0471	0.0972	0.0003	0.0247	0.3793
Total							
GENERAL SERVICE RATE (GSGLEW)							
GENERAL SERVICE RATE (GSGLEW)							
Customer Charge	150.0000					10.5000	160.5000
D-1 Demand Charge	8.0000					0.5600	8.5600
Basic Gas Supply Service (BGSS):							
CIP				0.0129	0.0000	0.0009	0.0138
Delivery Charge: COST OF SERVICE	0.1990	0.0110				0.0147	0.2247
TIC							
SBC:				0.0017	0.0000	0.0001	0.0018
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0632	0.0002	0.0057	0.0691
TAC				0.0000	0.0000	0.0000	0.0000
EET				0.0123	0.0000	0.0009	0.0132
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.1990	0.0110	0.0471	0.0972	0.0003	0.0247	0.3793

COMPREHENSIVE TRANSPORTATION SERVICE (GIS)

COMPREHENSIVE FIRM TRANSPORTATION SERVICE (GIS)

	BASE RATE	IEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Firm							
Customer Charge	600.0000					42.0000	642.0000
Delivery Charge:							
D-1 DEMAND CHARGE	27.4213					1.9166	29.3408
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0317	0.0032				0.0024	0.0373
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0832	0.0002	0.0057	0.0891
Total SBC				0.123	0.0000	0.0069	0.132
EET				0.0955	0.0002	0.0090	0.1396
Total C-1 VOLUMETRIC CHARGE	0.0317	0.0032	0.0118 0.0025			0.0008 0.0002	0.0125 0.0027
BS-1 ALL THERMS BS-1 (Opt Out Provision) ALL THERMS BUY-OUT PRICE							RATE SET MONTHLY
Limited Firm							
Customer Charge	100.0000					7.0000	107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0584	0.0032				0.0043	0.0659
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0832	0.0002	0.0057	0.0891
Total SBC				0.123	0.0000	0.0069	0.132
EET				0.0955	0.0002	0.0109	0.1662
Total C-1 VOLUMETRIC CHARGE	0.0584	0.0032	0.0116 0.0025			0.0008 0.0002	0.0126 0.0027
BS-1 ALL THERMS BS-1 (Opt Out Provision) ALL THERMS BUY-OUT PRICE							RATE SET MONTHLY

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	<u>BASE RATE</u>	<u>TEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
LARGE VOLUME SERVICE (LVS)							
Large Volume Firm Trans. Serv. (LVS) RTS							
Firm							
Customer Charge	990.0000					63.0000	963.0000
Delivery Charge:							
D-1 DEMAND CHARGE	14.8842					1.0419	15.9261
C-1 VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	.0316	0.0032				0.0024	0.0372
SBC:							
CLEP			0.0406	0.0001	0.0001	0.0028	0.0435
RAC			0.0254	0.0001	0.0001	0.0017	0.0272
USF			0.0172	0.0000	0.0000	0.0012	0.0184
USF			0.0832	0.0002	0.0002	0.0057	0.0891
EET			0.0123	0.0000	0.0000	0.0009	0.0132
EET			0.0955	0.0002	0.0002	0.0090	0.1355
Total C-1 VOLUMETRIC CHARGE	0.0316	0.0032	0.0118	0.0000	0.0000	0.0008	0.0126
Total C-1 VOLUMETRIC CHARGE			0.0025	0.0000	0.0000	0.0002	0.0027
BS-1 ALL THERMS							
BS-1 (Opt Out Provision) ALL THERMS							
BSC "T" CASH OUT CHARGE/(CREDIT)							
Rate Set Monthly							
Limited Firm							
Customer Charge	100.0000					7.0000	107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0946	0.0032			0.0000	0.0068	0.1046
SBC:							
CLEP			0.0406	0.0001	0.0001	0.0028	0.0435
RAC			0.0254	0.0001	0.0001	0.0017	0.0272
USF			0.0172	0.0000	0.0000	0.0012	0.0184
USF			0.0832	0.0002	0.0002	0.0057	0.0891
EET			0.0123	0.0000	0.0000	0.0009	0.0132
EET			0.0955	0.0002	0.0002	0.0134	0.2069
Total C-1 VOLUMETRIC CHARGE	0.0946	0.0032	0.0118	0.0000	0.0000	0.0008	0.0126
Total C-1 VOLUMETRIC CHARGE			0.0025	0.0000	0.0000	0.0002	0.0027
BS-1 ALL THERMS							
BS-1 (Opt Out Provision) ALL THERMS							
BUY-OUT PRICE							
Rate Set Monthly							

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	BASE RATE	TEFA	BGSS	OTHER RIDERS	PIJA	NJ SALES TAX	TARIFF RATE
Customer Charge	900.0000					63.0000	963.0000
Basic Gas Supply Service (BGSS):							
C-2 BGSS			12.5535		0.0276	0.8807	13.4618
D-2 DEMAND CHARGE						1.0419	15.9261
Delivery Charge:							
D-1 DEMAND CHARGE	14.8842						
C-1 VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0316	0.0032				0.0024	0.0372
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0632	0.0002	0.0057	0.0691
Total SBC				0.1123	0.0000	0.0009	0.1132
EET				0.0955	0.0002	0.0090	0.1046
Total C-1 VOLUMETRIC CHARGE	0.0316	0.0032	0.0000	0.0955	0.0002	0.0090	0.1396
BS-1 ALL THERMS						0.0008	0.0126
Limited Firm Customer Charge	100.0000		0.0118		0.0000	0.0008	107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0946	0.0032				0.0068	0.1046
SBC:							
CLEP				0.0406	0.0001	0.0026	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0632	0.0002	0.0057	0.0691
Total SBC				0.1123	0.0000	0.0009	0.1132
EET				0.0955	0.0002	0.0090	0.2069
Total C-1 VOLUMETRIC CHARGE	0.0946	0.0032	0.0000	0.0955	0.0002	0.0134	0.2069
BS-1 ALL THERMS							
BS-1 (Opt Out Provision) ALL THERMS BUY-OUT PRICE			0.0118		0.0000	0.0008	0.0126
			0.0025		0.0000	0.0002	0.0027
							RATE SET MONTHLY

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	BASE RATE	TEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
ELECTRIC GENERATION SERVICE (EGS)							
Commercial/Industrial							
Customer Charge	25.0000					1.7500	26.7500
D-1 DEMAND	6.5000					0.4550	6.9550
Basic Gas Supply Service (BGSS):							
Delivery Charge - Winter Season (Nov - Mar)	0.1116					0.0078	0.1194
COST OF SERVICE							
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0832	0.0002	0.0057	0.0891
Total SBC							
Balancing Charge BSC*J' BS-1			0.0471		0.0001	0.0033	0.0505
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.1116		0.0471	0.0555	0.0003	0.0177	0.2722
Delivery Charge - Summer Season (Apr - Oct)							
COST OF SERVICE							
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
				0.0832	0.0002	0.0057	0.0891
Total SBC							
Balancing Charge BSC*J' BS-1			0.0471		0.0000	0.0009	0.0132
EET				0.0123	0.0001	0.0033	0.0505
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.0816		0.0471	0.0355	0.0003	0.0156	0.2401

Commercial/Industrial

Customer Charge

D-1 DEMAND

Basic Gas Supply Service (BGSS):

Delivery Charge - Winter Season (Nov - Mar)

COST OF SERVICE

SBC:

 CLEP

 RAC

 USF

Total SBC

Balancing Charge BSC*J' BS-1

EET

Total C-1 VOLUMETRIC CHARGE (FSS & FTS)

Delivery Charge - Summer Season (Apr - Oct)

COST OF SERVICE

SBC:

 CLEP

 RAC

 USF

Total SBC

Balancing Charge BSC*J' BS-1

EET

Total C-1 VOLUMETRIC CHARGE (FSS & FTS)

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	<u>BASE RATE</u>	<u>TEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PIJA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
ELECTRIC GENERATION SERVICE (EGS)							
Residential							
Customer Charge	8.3400					0.5938	8.9238
Basic Gas Supply Service (BGSS):			0.4966		0.0011	0.0348	0.5325
Delivery Charge	0.1221					0.0086	0.1307
COST OF SERVICE							
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC				0.0832	0.0002	0.0057	0.0891
Balancing Charge BSC*J* BS-1			0.0471		0.0001	0.0033	0.0505
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.1221		0.0471	0.0955	0.0003	0.0185	0.2835

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DESCRIPTION	BASE RATE	TEFA	BGSS	OTHER RIDERS	PVA	NJ SALES TAX	TARIFF RATE
Electric Generation Service (EGSLV)							
Firm							
Customer Charge	180.0000					12.6	192.6000
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	14.5734					1.0201	15.5935
D-2 DEMAND BGSS (applicable to Sales Customers Only)			14.2448		0.0313	0.9993	15.2755
Cost of Service	0.0291					0.0020	0.0311
C-1 CLEP				0.0406	0.0001	0.0028	0.0435
C-1 RAC				0.0254	0.0001	0.0017	0.0272
C-1 USF				0.0172	0.0000	0.0012	0.0184
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0291			0.0855	0.0002	0.0086	0.1334
C-2 BGSS							
BSC 1 st CASH OUT CHARGE (CREDIT)			0.0118		0.0000	0.0008	
BS-1 ALL THERMS			0.0025		0.0000	0.0002	
BS-1 (Opt Out Provision) ALL THERMS							
Limited Firm							
D-2 DEMAND BGSS (applicable to Sales Customers Only)			6.2768		0.0138	0.4403	6.7310
Cost of Service	0.0291					0.0020	0.0311
C-1 CLEP				0.0406	0.0001	0.0028	0.0435
C-1 RAC				0.0254	0.0001	0.0017	0.0272
C-1 USF				0.0172	0.0000	0.0012	0.0184
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0291			0.0855	0.0002	0.0086	0.1334
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.0094	0.1432
C-2 BGSS							
BSC 1 st CASH OUT CHARGE (CREDIT)			0.0118		0.0000	0.0008	
BS-1 ALL THERMS			0.0025		0.0000	0.0002	
BS-1 (Opt Out Provision) ALL THERMS							

RATE SET MONTHLY
RATE SET MONTHLY

RATE SET MONTHLY
RATE SET MONTHLY

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	<u>BASE RATE</u>	<u>TEFA</u>	<u>BGSS</u>	<u>RIDERS</u>	<u>PJA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Winter							
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.8972					0.2028	3.1000
D-2 DEMAND BGSS (applicable to Sales Customers Only)			6.2768		0.0138	0.4403	6.7310
Cost of Service	0.0291					0.0020	0.0311
C-1 CLEP				0.0406	0.0001	0.0028	0.0435
C-1 RAC				0.0254	0.0001	0.0017	0.0272
C-1 USF				0.0172	0.0000	0.0012	0.0184
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0291			0.0955	0.0002	0.0086	0.1334
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.0094	0.1432
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)							
C-2 BGSS/COGC							
BSC "I" CASH OUT CHARGE (CREDIT)							
Summer							
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.8972					0.2028	3.1000
D-2 DEMAND BGSS (applicable to Sales Customers Only)			6.2768		0.0138	0.4403	6.7310
Cost of Service	0.0291					0.0020	0.0311
C-1 CLEP				0.0406	0.0001	0.0028	0.0435
C-1 RAC				0.0254	0.0001	0.0017	0.0272
C-1 USF				0.0172	0.0000	0.0012	0.0184
EET				0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE	0.0291			0.0955	0.0002	0.0086	0.1334
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.0094	0.1432
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)							
C-2 BGSS/COGC							
BSC "I" CASH OUT CHARGE (CREDIT)							

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		Page 13			TARIFF RATE				
			BASE RATE	IEFA	EGSS	RIDERS	PUA	NJ SALES TAX	
NATURAL GAS VEHICLE (NGV)									
Company Operated Fueling Stations									
Cost of Service		0.0291						0.0020	0.0311
C-1 CLEP						0.0406	0.0001	0.0028	0.0435
C-1 RAC						0.0254	0.0001	0.0017	0.0272
C-1 USF						0.0172	0.0000	0.0012	0.0184
EET						0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE									
		0.0291				0.0955	0.0092	0.0086	0.1334
Distribution Charge:		0.1047					0.0002	0.0073	0.1122
Compression Charge		0.5300					0.0012	0.0372	0.5684
Basic Gas Supply Service (BGSS):									
Rider "I" - BS-1 ALL THERMS					0.0118		0.0000	0.0008	0.0126
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS					0.0025		0.0000	0.0002	0.0027
Rider "J" - BS-1					0.0471		0.0001	0.0033	0.0505
Customer Operated Fueling Stations									
Service Charge									
	0 - 999 CF/hour	37.5000						2.6250	40.1250
	1,000 - 4,999 CF/hour	75.0000						5.2500	80.2500
	5,000 - 24,999 CF/hour	200.0000						14.0000	214.0000
	25,000 or Greater CF/hour	600.0000						42.0000	642.0000
Cost of Service		0.0291						0.0020	0.0311
C-1 CLEP						0.0406	0.0001	0.0028	0.0435
C-1 RAC						0.0254	0.0001	0.0017	0.0272
C-1 USF						0.0172	0.0000	0.0012	0.0184
EET						0.0123	0.0000	0.0009	0.0132
Total C-1 VOLUMETRIC CHARGE									
		0.0291				0.0955	0.0092	0.0086	0.1334
Distribution Charge:		0.1047					0.0002	0.0073	0.1122
Basic Gas Supply Service: (applicable Sales Customers only)									
Rider "I" - BS-1 ALL THERMS					0.0118		0.0000	0.0008	0.0126
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS					0.0025		0.0000	0.0002	0.0027
Rider "J" - BS-1					0.0471		0.0001	0.0033	0.0505

RATE SET MONTHLY

RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
Appendix A - Effective October 1, 2013

INTERRUPTIBLE SERVICE, YARD & STREET LIGHTING

	BASE RATE	IEFA	EGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
SERVICE CHARGE	100.0000					7.0000	107.0000
TRANS CHARGE A	0.0284	0.0032				0.0022	0.0338
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC:				0.0632	0.0001	0.0057	0.0691
EET				0.0123	0.0000	0.0009	0.0132
TRANS CHARGE B	0.0932	0.0032				0.0067	0.1031
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC:				0.0632	0.0002	0.0057	0.0691
EET				0.0123	0.0000	0.0009	0.0132
TRANS CHARGE C	0.1532	0.0032				0.0109	0.1673
SBC:							
CLEP				0.0406	0.0001	0.0028	0.0435
RAC				0.0254	0.0001	0.0017	0.0272
USF				0.0172	0.0000	0.0012	0.0184
Total SBC:				0.0632	0.0002	0.0057	0.0691
EET				0.0123	0.0000	0.0009	0.0132

INTERRUPTIBLE TRANSPORTATION

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
Appendix A - Effective October 1, 2013

Page 15
TARIFF RATE
Rate Set Monthly

Commodity	INTERMITTIBLE GAS SALES (GSS)	BASE RATE	TEFA	BGSS	OTHER RIDERS	PMA	NJ SALES TAX	TARIFF RATE
SBC:			0.0032					
RAC					0.0254	0.0001	0.0017	0.0272
USF					0.0172	0.0000	0.0012	0.0184
Total SBC:					0.0426	0.0001	0.0029	0.0456
EET					0.0123	0.0000	0.0009	0.0132
VARIABLE SERVICE (VLS)								
MONTHLY CHARGE / INSTALL		6.1655	0.0110	4.6368			0.7569	11.5702
STREET LIGHTING SERVICE (SLS)								
MONTHLY CHARGE / INSTALL		6.6465	0.0110	6.9552			0.9529	14.5656

South Jersey Gas Company
CIRT Revenue Requirement

	<u>CIRT I</u>
Investment as of September 30, 2013	\$22,450,810
Less Accumulated Depreciation	<u>(1,222,495)</u>
Net Plant	21,228,315
Less Accumulated Deferred Tax	<u>(7,560,594)</u>
Net Investment	13,667,721
Monthly Rate of Return (11.85% / 12)	<u>0.9875%</u>
Required Operating Income	134,969
Depreciation Expense	<u>41,908</u>
Operating Income	176,877
Revenue Factor	<u>1.0843</u>
Monthly Revenue Requirement	191,788
Annual Revenue Requirement	2,301,452
Projected under-recovered balance at September 30, 2013	694,413
Projected interest to customers at September 30, 2013	(18,716)
Total Revenue Requirement	<u><u>\$2,977,149</u></u>

South Jersey Gas Company
CIRT Revenue Requirement

	<u>CIRT II</u>	<u>CIRT III</u>	<u>Total</u>
Investment as of September 30, 2013	\$60,248,131	\$34,705,323	\$94,953,454
AFUDC	<u>9,882,921</u>	<u>3,456,807</u>	<u>13,339,728</u>
Total Investment as of September 30, 2013	70,131,052	38,162,129	108,293,182
Less Depreciation ⁽¹⁾	<u>(1,570,936)</u>	<u>(854,832)</u>	<u>(2,425,767)</u>
Net Plant	68,560,117	37,307,298	105,867,415
Less Deferred Tax	<u>(19,648,928)</u>	<u>(6,241,898)</u>	<u>(25,890,826)</u>
Net Investment	48,911,188	31,065,400	79,976,588
Pre-Tax Rate of Return	<u>11.63%</u>	<u>11.36%</u>	
Pre-Tax Return on Investment	5,688,371	3,529,029	9,217,401
Add: Depreciation	<u>1,570,936</u>	<u>854,832</u>	<u>2,425,767</u>
Revenue Recovery	7,259,307	4,383,861	11,643,168
Revenue Factor	<u>1.07834</u>	<u>1.07834</u>	<u>1.07834</u>
Revenue Requirement	<u>\$7,827,987</u>	<u>\$4,727,284</u>	<u>\$12,555,271</u>
 ⁽¹⁾ <u>Depreciation</u>			
Plant in Service at September 30, 2013	\$60,248,131	\$34,705,323	
AFUDC	<u>9,882,921</u>	<u>3,456,807</u>	
	70,131,052	38,162,129	
Depreciation rate	<u>2.24%</u>	<u>2.24%</u>	
Depreciation Expense	<u>1,570,936</u>	<u>854,832</u>	

South Jersey Gas Company
CIRT Projects Rolled into Rate Base

CIRT I Projects

Accelerated Main Replacements	\$1,654,106
20" Union Rd.-Rt. 50 Upgrade	\$667,340
12" Atco-Stokes Road Pipeline	\$9,245,378
16" CMCH-Burleigh Pipeline	\$5,256,548
Install H-6 LNG Vaporizer	\$4,748,941
CMCH to Burleigh Station	<u>\$878,497</u>
Total:	\$22,450,810

CIRT II Projects

Accelerated Bare Steel/Cast Iron Main & Service Line Replacements	\$27,501,798
12" Atlantic City Pipeline	\$5,559,938
24" Black Horse Pike to Delilah Road	\$7,703,704
Absecon Island Ventnor Ave Feeder Main	\$8,954,397
Distribution District Regulator Upgrades	\$1,777,717
LNG Tank Foundation, Impoundment Dike, Security & Vapor Fence Safety Upgrades	\$1,163,754
Transmission System Retrofits & Valving	\$1,840,514
Water Crossing Replacements at Oldman's Creek	\$850,178
Absecon Island Ventnor Ave Lateral Mains	<u>\$4,896,132</u>
Total:	\$60,248,131

CIRT III Projects

Accelerated Bare Steel/Cast Iron Main & Service Line Replacements	\$34,705,323
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Total CIRT I, II and III: \$117,404,264

South Jersey Gas Company

CIRT I Projects

Accelerated Main Replacements

Replaced 72.9 miles of main and 1,716 services.

12" Atco-Stokes Road Pipeline

Replaced 6 miles of 6" steel pipe with 12" steel pipe in Waterford and Shamong Townships to improve delivery reliability.

16" CMCH – Burleigh Pipeline

Installed 3 miles of 16" diameter gas transmission line from Cape May Court House to Burleigh in Middle Township to improve delivery reliability. Replaced existing regulator station at the intersection of Shunpike and Indian Trail Road in Middle Township, at the southern terminus of the 16" CMCH-Burleigh Pipeline project.

20" Union Rd.-Rt. 50 Upgrade

Increased operating pressure of a 10 mile pipeline segment to increase flow capacity on the 20" transmission pipeline from the City of Vineland to Estell Manor Township to improve delivery reliability.

Install H-6 LNG Vaporizer

Installation of new vaporizer to improve peak shaving gas supply reliability at the McKee City Liquefied Natural Gas (LNG) Plant in Hamilton and Egg Harbor Townships.

CIRT II Projects

Accelerated Main Replacements

Replaced 79 miles of main and replaced 3,541 services.

12" Atlantic City Pipeline

Installed 2.1 miles of 12" pipeline extension along Absecon Boulevard, 1000' of 8" pipeline, and a new distribution district regulator to supply Atlantic City and Absecon Island from the Huron Avenue station to improve delivery reliability.

24" Black Horse Pike to Delilah Road

Installed 2.7 miles of 24" pipeline along Black Horse Pike and Fire Road in Egg Harbor Township to improve delivery reliability to the Pleasantville Station and Absecon Island

Absecon Island Ventnor Avenue Feeder Main

In Atlantic County, City of Ventnor replaced 4.5 miles intermediate pressure cast iron feeder main on Ventnor Avenue supplying the communities of Atlantic City, Ventnor, Margate and Longport.

Distribution District Regulator Upgrades

Upgraded 8 distribution district regulator facilities throughout the service territory to improve delivery reliability.

LNG Tank Foundation, Impoundment Dike, Security & Vapor Fence Safety Upgrades

Upgraded refurbishment of the existing LNG Tank foundation, liquid spill impoundment dike, vapor dispersion barrier fence, IR gas detection, and perimeter microwave security system.

Transmission System Retrofits & Valving

Replaced and/or retrofitted existing transmission and high pressure sectionalizing valving and piping components to accommodate in-line inspection tools.

Water Crossing Replacements at Oldman's Creek

Horizontal directional drill replacement of two parallel 8" pipelines (250/60) crossing Oldman's Creek between Gloucester and Salem Counties along NJ Route 130.

Absecon Island Ventnor Avenue Lateral Mains

In Atlantic County, City of Ventnor replaced 2.87 miles of low pressure bare steel and cast iron lateral mains associated with the Ventnor Avenue feeder main project.

CIRT III Projects

Accelerated Main Replacements

Replaced 43.9 miles of main and replaced 3,827 services.

South Jersey Gas Company
Base Revenues at Present and Proposed Rates

Component	Amount	Units	Present Rates		Proposed Rates		
			Rate	Revenue	Rate	Revenue	Increase
RSG							
Residential Service							
Customer Charge	3,838,844	Bills	\$ 8.34	\$ 32,015,959	\$ 8.34	\$ 32,015,959	
Distribution Charge	248,823,226	Therms	0.4031	100,300,642	0.4322	107,541,398	
Distribution Charge (Air Conditioning)	117	Therms	0.4031	47	0.4322	51	
Total Class Base Revenues				\$ 132,318,649		\$ 139,557,408	5.5%
GSG							
General Service (0-100,000 Annual Therms)							
Customer Charge	274,379	Bills	\$ 22.25	\$ 6,104,933	\$ 22.25	\$ 6,104,933	
Distribution Charge	93,352,947	Therms	0.3192	29,798,261	0.3483	32,514,831	
Distribution Charge (Air Conditioning)	619	Therms	0.3192	198	0.3483	216	
Total Class Base Revenues				\$ 35,903,391		\$ 38,619,980	7.6%
GSG-LV							
General Service Large Volume (100,000 + Annual Therms)							
Customer Charge	1,894	Bills	\$ 150.00	\$ 284,100	\$ 150.00	\$ 284,100	
Demand Charge	18,238	Therms	8.0000	1,750,848	8.0000	1,750,848	
Distribution Charge	29,969,098	Therms	0.1699	5,091,750	0.1990	5,963,851	
Total Class Base Revenues				\$ 7,128,698		\$ 7,998,799	12.2%
CTS							
Comprehensive Firm Transportation Service							
Customer Charge	546	Bills	\$ 600.00	\$ 327,600	\$ 600.00	\$ 327,600	
Demand Charge	9,645	Therms	27.4213	3,173,741	27.4213	3,173,741	
Distribution Charge	28,195,743	Therms	0.0026	73,309	0.0317	893,805	
Total Class Base Revenues				\$ 3,574,650		\$ 4,395,146	23.0%
LVS							
Large Volume Service							
Customer Charge	307	Bills	\$ 900.00	\$ 276,300	\$ 900.00	\$ 276,300	
Demand Charge	29,140	Therms	14.8842	5,204,707	14.8842	5,204,707	
Distribution Charge	93,845,065	Therms	0.0025	234,613	0.0316	2,965,504	
Total Class Base Revenues				\$ 5,715,620		\$ 8,448,511	47.8%

South Jersey Gas Company
Base Revenues at Present and Proposed Rates

Component	Amount	Units	Present Rates		Proposed Rates		
			Rate	Revenue	Rate	Revenue	Increase
			<u>EGS</u>		<u>EGS</u>		
<u>Electric Generation Service</u>							
Customer Charge	48 Bills		\$ 25.00	\$ 1,200	\$ 25.00	\$ 1,200	
Demand Charge	247 Therms		6.500	19,266	6.500	19,266	
Distribution Charge (Nov - Mar.)	183,875 Therms		0.0825	15,170	0.1116	20,520	
Distribution Charge (Apr - Oct.)	93,581 Therms		0.0525	4,913	0.0816	7,636	
Total Class Base Revenues				\$ 40,549		\$ 48,623	19.9%

			<u>EGS-LV</u>		<u>EGS-LV</u>		
<u>Electric Generation Service - Large Volume</u>							
Customer Charge	18 Bills		180.000	38,880	180.00	38,880	
Demand Charge	2,100 Therms		14.573	367,250	14.5734	367,250	
Distribution Charge	3,507,086 Therms		-	-	0.0291	102,056	
Total Class Base Revenues				\$ 408,130		\$ 508,186	25.1%

TOTAL BASE REVENUES				\$ 185,083,686		\$ 199,574,652	7.8%
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INCREASE	14,490,966
TARGET INCREASE	<u>14,484,415</u>
Difference	\$6,552