



Agenda Date: 9/17/18
Agenda Item: 2P

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

ORDER

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS)
COMPANY FOR AUTHORIZATION THROUGH SEPTEMBER)
30, 2021: (i) TO MAKE, EXECUTE AND DELIVER PURSUANT)
TO N.J.S.A. 48:3-7 A SECOND SUPPLEMENTAL MORTGAGE)
INDENTURE AND ADDITIONAL SUPPLEMENTAL)
MORTGAGE INDENTURES PROVIDING FOR THE)
ISSUANCE OF A FIRST MORTGAGE BOND OR BONDS)
WITH A MATURITY OR MATURITIES OF NOT MORE THAN)
FORTY (40) YEARS IN AGGREGATE PRINCIPAL AMOUNT)
OF NOT MORE THAN \$1,200,000,000, LESS THE)
AGGREGATE PRINCIPAL AMOUNT OF ANY OTHER)
EVIDENCE OF INDEBTEDNESS PAYABLE IN MORE THAN)
TWELVE (12) MONTHS FROM THE DATE OR DATES)
THEREOF THAT IS ISSUED PURSUANT TO (iii) BELOW; (ii))
TO MAKE, EXECUTE AND DELIVER PURSUANT TO N.J.S.A.)
48:3-7 SUCH OTHER SUPPLEMENTAL INDENTURES, AND)
TO ISSUE SUCH FIRST MORTGAGE BONDS THEREUNDER,)
AS SHALL BE NECESSARY TO COMPLETE THE)
TRANSACTIONS CONTEMPLATED IN THIS PETITION; (iii))
TO ISSUE OTHER EVIDENCE OF INDEBTEDNESS PAYABLE)
MORE THAN TWELVE (12) MONTHS FROM THE DATE OR)
DATES THEREOF; (iv) TO ISSUE AND SELL MEDIUM TERM)
NOTES WITH A MATURITY OF NOT MORE THAN FORTY)
(40) YEARS IN AN AGGREGATE PRINCIPAL AMOUNT OF)
NOT MORE THAN \$1,200,000,000, LESS THE AGGREGATE)
PRINCIPAL AMOUNT OF ANY OTHER EVIDENCE OF)
INDEBTEDNESS PAYABLE IN MORE THAN TWELVE (12))
MONTHS FROM THE DATE OR DATES THEREOF THAT IS)
ISSUED PURSUANT TO (iii) ABOVE, (v) TO MAKE, EXECUTE)
AND DELIVER A TRUST INDENTURE, TRUST INDENTURES)
OR SUPPLEMENTS THERETO PROVIDING FOR THE)
ISSUANCE OF MEDIUM TERM NOTES; AND (vi) TO)
REDEEM, REFINANCE OR DEFEASE ANY OR ALL OF ITS)
OUTSTANDING LONG-TERM DEBT SECURITIES AS LONG)
AS THE REDEMPTION, REFINANCING OR DEFEASANCE IS)
ACCOMPLISHED ON A COST- SAVING BASIS.)

DOCKET NO. GF18070696

Parties of Record:

Stefanie A. Brand, Esq., Director, Division of Rate Counsel
Ira Megdal, Esq., Cozen and O'Connor, P.C., for the Petitioner

BY THE BOARD:

BACKGROUND

South Jersey Gas Company ("Petitioner," "Company" or "South Jersey"), a public utility of the State of New Jersey, by a petition ("Petition") filed July 5, 2018 requested authority: (i) to make, execute and deliver pursuant to N.J.S.A. 48:3-7 a second supplemental mortgage Indenture and any additional supplemental mortgage indentures providing for the issuance of a first mortgage bond or bonds, with a maturity or maturities of not more than forty (40) years from the respective dates of issuance, in an aggregate principal amount of not more than \$1,200,000,000, less the aggregate principal amount of any other indebtedness payable in more than twelve (12) months from the date or dates thereof that is issued pursuant to (iii) below; (ii) to make, execute and deliver pursuant to N.J.S.A. 48:3-7 such other supplemental indentures, and to issue such first mortgage bonds thereunder, as shall be necessary to complete the transactions contemplated in this Petition; (iii) to issue other evidence of indebtedness payable more than twelve (12) months from the date or dates thereof; (iv) to issue and sell medium term notes, with a maturity of not more than forty (40) years from the respective dates of issuance, in an aggregate principal amount of not more than \$1,200,000,000, less the aggregate principal amount of any other indebtedness payable in more than twelve (12) months from the date of dates thereof that is issued pursuant to (iii) above; (v) to make, execute and deliver a trust indenture, trust indentures or supplements thereto or to previous trust indentures providing for the issuance of any such medium term notes; and (vi) to redeem, refinance or defease any or all of its outstanding long-term indebtedness or long-term debt securities as long as the redemption, refinancing or defeasance is financially advantageous to Petitioner.

South Jersey seeks authorization to engage in a transaction or series of transactions, the net result of which will be the issuance of up to \$1,200,000,000 aggregate principal amount of Medium Term Notes ("MTNs") plus any other evidence of indebtedness payable more than twelve (12) months from the date or dates thereof. According to Petitioner, the net proceeds of this transaction or series of transactions will be utilized to retire short-term debt; to fund capital expenditure requirements; to fund gas supply acquisitions; other general corporate purposes; and, potentially, to redeem, refinance or defease any or all of the Company's indebtedness or debt securities as long as such redemption, refinancing or defeasance is financially advantageous to Petitioner. South Jersey's construction program has been financed, in part, by short-term debt, and periodically Petitioner is required to retire such debt.

Petitioner requests authority to issue and sell, in one or more series, at any time through September 30, 2021, not more than \$1,200,000,000 aggregate principal amount of its MTNs and other evidence of indebtedness payable more than twelve (12) months from the date or dates thereof.

Pursuant to the Petition, the MTNs may be issued as part of one series, or as part of several series, and may be issued on a secured or on an unsecured basis. MTNs will be issued with maturities from one to forty years and with various specified conditions, including redemption provisions. The MTNs will be limited to an aggregate principal amount of \$1,200,000,000, less the aggregate principal amount of any other indebtedness payable in more than twelve (12) months from the date of dates thereof that is issued in accordance with this Petition. The MTNs will be sold at 100% of principal amount, at a discount, or at a premium.

Petitioner proposes that it may elect to issue some or all of the MTNs under an Indenture of Trust or under various note indentures (any of the foregoing, or any supplement to any of the foregoing, a "Note Indenture") between Petitioner and the Bank of New York Mellon, or another financial institution, as trustee (the "Note Trustee" or "Note Trustees"). MTNs may be issued under a Note Indenture in one or more series from time to time without limit. MTNs issued under a Note Indenture may be secured by the Pledged Bonds, discussed infra. Alternatively, Petitioner may elect to issue MTNs secured by other assets or unsecured MTNs pursuant to a Note Indenture.

The Company proposes that it may also issue MTNs as mortgage bonds under its supplemental indenture amending and restating first mortgage indenture dated as of January 23, 2017 (as amended and supplemented from time to time, "Mortgage Indenture") from Petitioner to The Bank of New York Mellon as Mortgage Trustee ("Mortgage Trustee"). MTNs issued under the Mortgage Indenture will be issued pursuant to one or more supplemental indentures under the Mortgage Indenture. As a result, it may be necessary for Petitioner to make, execute and deliver multiple supplemental indentures to the Mortgage Indenture in addition to a second supplemental indenture to the Mortgage Indenture ("Second Supplemental Indenture"). Petitioner may choose to issue MTNs under a Note Indenture or the Mortgage Indenture, under a separate indenture or indentures or under both a Note Indenture and the Mortgage Indenture depending upon which structure, in Petitioner's judgment, allows it to issue MTNs in a financially advantageous manner.

Petitioner states that under the proposal whether the MTNs are issued under a Note Indenture or Note Indentures, under a separate indenture on a secured basis, or under the Mortgage Indenture as mortgage bonds, the total aggregate principal amount of MTNs to be issued pursuant to this Petition will not exceed \$1,200,000,000, less the aggregate principal amount of any other indebtedness payable in more than twelve (12) months from the date or dates thereof that is issued in accordance with this Petition.

In addition to being issued in various series, Petitioner proposes that MTNs may be issued at various times, and have differing maturity dates and may bear interest at different rates, and may contain other terms that vary from series to series. Any series of MTNs may be issued in one or more offerings that will be registered under the Securities Act of 1933 ("Securities Act") or in one or more offerings that will be exempt from registration under the Securities Act. If an MTN offering is registered under the Securities Act, the sale will be made in a manner which, in the judgment of the Company, yields a financially advantageous result for the Company. If an MTN offering is not registered under the Securities Act, South Jersey intends to sell the MTNs either to or through one to three agents, in either case to purchasers that will be accredited investors, as defined in rules adopted by the Securities and Exchange Commission ("SEC"), or to other purchasers as may be permitted under applicable SEC rules with respect to the exemption from registration on which the Company relies for such issuance. The successful bidder or bidders may, in turn, resell the MTNs to qualified institutional buyers, pursuant to Rule 144A under the Securities Act, or to any eligible purchasers under an applicable exemption from

the Securities Act. This type of sale, in an unregistered offering, will be made to or through the agent or agents whose bid or bids will, in the judgment of the Company, yield a financially advantageous result for the Company. The agent or agents to be utilized by the Company may change from offering to offering.

Petitioner states that it is anticipated that the interest rates to be borne by the MTNs will not exceed ten percent (10%); provided, however, that if market conditions require an interest rate greater than ten percent (10%), Petitioner will notify the Office of the Economist of the Board of Public Utilities ("Board") at least fourteen (14) days prior to the issuance of any MTNs.

Petitioner proposes to issue MTNs within the following yield spreads over U.S. Treasury securities; provided, however, that if market conditions require a yield spread over U.S. Treasury securities greater than as set forth below, Petitioner will notify the Office of the Economist of the Board at least seven (7) days prior to pricing of the MTNs and if Petitioner does not receive any objection in writing from the Office of the Economist of the Board within seven (7) days of receipt of such notice, the Maturity Yield Spread Table shall be deemed amended as set forth in such notice:

MARKET YIELD SPREAD TABLE

<u>Range of Maturities</u>	<u>Maximum Coupon Spread Over U.S. Treasury Securities (Basis Points)</u>
1 Yr. to less than 18 Mos.	199
18 Mos. to less than 2 Yrs.	207
2 Yrs. to less than 3 Yrs.	223
3 Yrs. to less than 4 Yrs.	242
4 Yrs. to less than 5 Yrs.	262
5 Yrs. to less than 7 Yrs.	292
7 Yrs. to less than 10 Yrs.	326
10 Yrs. to less than 15 Yrs.	360
15 Yrs. to less than 20 Yrs.	376
20 Yrs. to 40 Yrs.	451

Petitioner proposes that in order to provide the Company with the opportunity to take advantage of changing money market conditions and advantageously manage its cost of capital and meet competitive conditions, Petitioner requests authority, as appropriate market opportunities arise, to issue and sell MTNs in one or more offerings. The terms of the proposed MTNs cannot be determined at this time, as they will be dependent upon market and other conditions at the time of issuance and sale. However, Petitioner will select the form of instrument which in the

judgment of Petitioner would allow the issuance and sale of MTNs in a financially advantageous manner.

Pursuant to the Petition, the timing of each transaction with respect to each issuance of MTNs, the price to be paid to Petitioner, the rate of interest, maturity, redemption provisions and prices, and the type, terms and conditions of the MTNs will be determined from time to time for each issuance of MTNs. Such determinations will depend upon the market conditions at the time of issuance and sale. Depending upon the then prevailing market conditions, the MTNs will have maturities of up to forty (40) years from their respective dates of issuances. MTNs may include conventional, floating rate, put, call, remarketed, swaps, options or other terms and conditions. Petitioner requests that all MTNs be sold without further approval by this Board in accordance with procedures set forth in this Petition.

The Company proposes that if secured MTNs are issued under a Note Indenture, they may be secured by one or more bonds (each, a "Pledged Bond" and collectively, the "Pledged Bonds") that will be issued under the Mortgage Indenture. The Pledged Bond or Pledged Bonds, if any, issued to service and secure MTNs, will be issued under the Mortgage Indenture, as it may be supplemented and amended by the Second Supplemental Mortgage Indenture or further supplemental mortgage indentures providing for the issuance of one or more Pledged Bonds. The Mortgage Indenture creates a first lien on substantially all of the property and franchises of Petitioner, now owned or hereafter acquired, with certain delineated exceptions. The terms and conditions for the Second Supplemental Indenture and other supplemental mortgage indentures will be determined prior to the issuance of the respective Pledged Bond or Pledged Bonds. Petitioner may also issue additional supplemental indentures and additional mortgage bonds providing for the issuance of a Pledged Bond or Pledged Bonds or providing for the issuance of MTNs as mortgage bonds.

South Jersey proposes that each MTN shall bear interest from its date of issue at a rate to be later determined; provided, however, that the interest rate on any MTN issued under a Note Indenture that is secured by a Pledged Bond shall not exceed the interest rate on the corresponding Pledged Bond.

Pursuant to the Petition, the Pledged Bond or Pledged Bonds shall be issued in an aggregate principal amount up to \$1,200,000,000, less the aggregate principal amount of any other indebtedness payable in more than twelve (12) months from the date or dates thereof that is issued in accordance with this Petition. If a Pledged Bond or Pledged Bonds are issued to secure MTNs issued under a Note Indenture, such Pledged Bond or Pledged Bonds shall be issued and pledged by the Company and delivered to the Note Trustee in accordance with a Note Indenture. The Pledged Bond or Pledged Bonds will service and secure the payment of the principal of, and interest on, secured MTNs issued under a Note Indenture. The principal amount of the Pledged Bond or Pledged Bonds deemed outstanding that have been issued to the Note Trustee to secure MTNs issued under a Note Indenture will at all times be equal to the outstanding principal amount of the MTNs issued under a Note Indenture that are secured by such Pledged Bond or Pledged Bonds.

The Company proposes that if an offering of MTNs is registered under the Securities Act, the Pledged Bond or Pledged Bonds may also be registered under the Securities Act, if required. Interest on the Pledged Bond or Pledged Bonds shall accrue at a rate to be determined. Relative to the Pledged Bonds that are issued to the Note Trustee to secure MTNs issued under a Note Indenture, the Company shall be entitled to credits equal to the amount by which the principal of and interest due on the Pledged Bonds exceeds principal of and interest due on the MTNs secured thereby from time to time. As a result, the amount of interest due and payable

on the Pledged Bonds from time to time will equal the amount of interest due under all outstanding secured MTNs issued under a Note Indenture to which such Pledged Bond or Pledged Bonds relate.

Petitioner also proposes to, if market conditions dictate, take advantage of the opportunity to issue evidence of indebtedness in forms other than MTNs. It may do so through a one or more credit facilities not yet negotiated, which would allow for the issuance of evidence of indebtedness payable more than twelve (12) months after the date or dates of each such respective evidence of indebtedness. By way of example, and not exclusion, Petitioner may enter into credit agreements providing for notes payable in two, three or four years from the dates of such notes. Petitioner will only do so if market conditions are favorable, leading to a beneficial cost of embedded debt to the Petitioner.

Additionally, Petitioner requests authority to engage in redemptions, refinancings or defeasances of any of its outstanding long-term indebtedness or long-term debt securities, at any time through September 30, 2021, that, in the judgment of the Company, are financially advantageous to the Company. Specifically, Petitioner requests authority to redeem, refinance or defease at its option, all or any of the outstanding principal balance of any of its remaining outstanding long-term indebtedness or long-term debt securities which are eligible to be redeemed at their previously approved redemption prices, including any premium, plus interest thereon to the date of redemption, if doing so is financially advantageous to the Company.

No franchise or right is proposed to be capitalized, directly or indirectly, by the Company, as a result of this Petition. It is the intention of Petitioner, in good faith, to use the proceeds of the term loan to be issued as a result of this Petition for the purposes set forth in this Petition.

The Division of Rate Counsel ("Rate Counsel") has reviewed this matter and by letter dated September 7, 2018, stated that it is not opposed to Board approval of the Petition. However, Rate Counsel requests that the Board approve the request subject to certain conditions, which are included below.

DISCUSSION AND FINDINGS

The Board after investigation, having considered the Petition and Exhibits submitted in this proceeding and the comments submitted by Rate Counsel, **FINDS** that the proposed series of transactions is to be made in accordance with law, and the Board approving the purposes thereof, **HEREBY GRANTS** the Petition in its entirety, and **HEREBY ORDERS** that the Petitioner be and is **HEREBY AUTHORIZED** through September 30, 2021: (i) to make, execute and deliver pursuant to N.J.S.A. 48:3-7 a Second Supplemental Mortgage Indenture and any additional supplemental mortgage indentures providing for the issuance of a first mortgage bond or bonds, with a maturity or maturities of not more than forty (40) years from the respective dates of issuance, in an aggregate principal amount of not more than \$1,200,000,000, less the aggregate principal amount of any other indebtedness payable in more than twelve (12) months from the date or dates thereof that is issued pursuant to (iii) below; (ii) to make, execute and deliver pursuant to N.J.S.A. 48:3-7 such other supplemental indentures, and to issue such first mortgage bonds thereunder, as shall be necessary to complete the transactions contemplated in this Petition; (iii) to issue other evidence of indebtedness payable more than twelve (12) months from the date or dates thereof; (iv) to issue and sell medium term notes (MTNs), with a maturity of not more than forty (40) years from the respective dates of issuance, in an aggregate principal amount of not more than \$1,200,000,000, less the aggregate principal amount of any other indebtedness payable in more than twelve (12) months from the date or dates thereof that

is issued pursuant to (iii) above; (v) to make, execute and deliver a trust indenture, trust indentures or supplements thereto or to previous trust indentures providing for the issuance of any such medium term notes; and (vi) to redeem, refinance or defease any or all of its outstanding long-term indebtedness or long-term debt securities as long as the redemption, refinancing or defeasance is financially advantageous to Petitioner.

The Order is subject to the following provisions:

1. Petitioner will issue the various series of MTNs in compliance with this Order. No further Order of this Board shall be necessary for Petitioner to complete the series of MTN transactions or other transactions contemplated by the Petition if the conditions of this Order are met.
2. With respect to each issue and sale of any MTNs which may be made through competitive bidding, and not registered under the Securities Act, Petitioner shall provide this Board with the following material for informational purposes, as soon as, and in no event later than twenty-four (24) hours prior to the time for the receipt of bids (which materials may be provided by mail or by facsimile transmission and confirmed by mail): (a) a statement in respect of bidding for the MTNs which shall specify (i) the date and time for receipt of bids for the MTNs, (ii) the principal amount of the MTNs, (iii) the series designation of the MTNs, (iv) the minimum and maximum percentage of principal amount which may be specified in the bid as the purchase price for the MTNs, (v) the term of the MTNs, (vi) the terms and conditions, if any, upon which the MTNs may be redeemed, whether at the option of the Petitioner, pursuant to any sinking fund or improvement fund for the MTNs, or otherwise, and (vii) such other provisions as may be established by Petitioner with respect to the terms and conditions of the MTNs and the bidding thereof; and (b) an assessment of the then current financial markets applicable to the MTNs which shall include (i) data with respect to recent sales of comparable securities of other utilities, (ii) interest rate spreads between United State Treasury Bonds and utility securities comparable to the MTNs, (iii) the anticipated number of bidders for the MTNs, (iv) the anticipated range of the yield of the MTNs based upon current market conditions, and (v) such other information as Petitioner shall deem relevant to assess the expected sale of the MTNs and the reasonableness of the annual cost of money.
3. If competitive bidding procedures are utilized, and: (a) at least three (3) independent bids for the purchase of MTNs are received; (b) Petitioner accepts the bid which produces the most advantageous financial terms to Petitioner; and (c) the price to Petitioner in such bid is no less than 97% of principal amount and no more than 102% of principal amount, Petitioner may, without further Order of the Board, issue and sell the MTNs in accordance with the terms and conditions contained in such accepted bid. If only one (1) or two (2) bids are received for the MTNs, or Petitioner proposes to accept the bid which does not produce the most advantageous financial terms to the Petitioner, or the accepted bid provides for a price to the Petitioner of less than 97% of principal amount or more than 102% of principal amount, the proposed issuance and sale of the MTNs shall not be consummated until a further Order of the Board authorizing such issuance and sale has been entered.
4. If MTNs are sold pursuant to competitive bidding, Petitioner shall furnish the Board in writing as soon as practicable after accepting the bid for MTNs, the names of all principal bidders together with the interest rate, the annual cost of money to

Petitioner, the price to the public, if applicable, the percentage yield and the price to Petitioner applicable to each bid.

5. While it is anticipated that the interest rates to be borne by the MTNs will not exceed ten percent (10%), if market conditions require an interest rate greater than ten percent (10%), Petitioner will notify the Office of the Economist of the Board at least fourteen (14) days prior to the issuance of any MTNs if this falls within the Market Yield Spread Table approved by this Order. If the rate exceeds the approved range, Petitioner shall seek Board approval as described below.

Whether the MTNs are sold in an offering that is registered under the Securities Act, or sold on a competitively bid basis, Petitioner shall not issue MTNs at coupon rates in excess of those that would result from the Market Yield Spread Table set forth in this Order. In the event that market conditions change, Petitioner may file an updated Market Yield Spread Table for Board approval, before issuing MTNs with coupon rates that are not within the Market Yield Spread Table set forth herein.

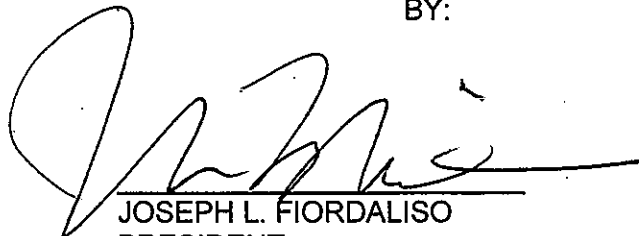
6. Petitioner shall, as promptly as is practicable following the end of each month during which the MTNs are sold, file with the Board a statement which shall set forth the MTN transactions concluded during such month including the names of the agents and details of the transactions with the agents. Such statement shall also set forth; (a) the principal amount, maturity date, redemption provisions, commissions and the interest rate spread over comparable United State Treasury securities for any MTNs sold; and (b) the principal amount of the MTNs remaining authorized for issuance and sale in this Docket.
7. Petitioner shall furnish the Board with copies of each Note Indenture, similar indenture, and supplemental indenture, as executed. Petitioner shall furnish the Board with copies of all executed amendments and/or supplements, if any, of the Petitioner's Mortgage Indenture.
8. Petitioner shall furnish this Board with copies of all final and complete documents as executed and filed with other regulatory agencies, including the SEC, if any, relating to the new issuance.
9. Petitioner shall semi-annually file with this Board, a statement setting forth: (a) the amount of MTNs issued pursuant to this order; and (b) details with respect to the disbursement of proceeds from such issuances.
10. This Order shall not be construed as a certification that the securities authorized to be offered for sale will be represented by tangible or intangible assets of commensurate value or investment costs.
11. This Order shall not effect nor in any way limit the exercise or authority of this Board, Rate Counsel, or of this State, in any future petition or in any proceeding with respect to rates, franchises, services, financing (including method of sale of securities), capitalization, depreciation, or any other matters affecting the Petitioner.
12. This Order shall not be construed as directly or indirectly fixing, for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by Petitioner.

13. Petitioner should undertake financing in a manner that achieves the lowest reasonable cost of capital to customers.
14. Petitioner is obligated to use a prudent mix of capital to finance its utility operations and investments.
15. The authority granted in this Order shall become null and void and of no effect with respect to any portion thereof which is not exercised by September 30, 2021.
16. This Order shall not constitute pre-approval of any cost or authorization for rate recovery. All capital costs are subject to review in the Petitioner's next base rate proceeding.
17. If (1) the interest rate of any series of new issuance, in relation to U.S. Treasury securities, does not exceed the range set forth in the table on page four (4) of the Petition, and (2) the compensation to the underwriters with respect to any series does not exceed 1.0% of the aggregate principal amount of the new issuance, Petitioner may effect new issuance transactions without further Order of the Board. If either the interest rate or the compensation to the underwriters exceeds such amount, the proposed issuance shall not be consummated until a further Order of the Board authorizing such new issuance transactions have been entered.
18. Petitioner shall, as promptly as is practical after acceptance of an offer for, and the pricing of, any new issuance, notify the Office of the Chief Economist and Rate Counsel in writing of the action to be taken and include a statement setting forth the compensation to and the names of the underwriters, and, as applicable, the aggregate principal amount of new issuance, the interest rate of the new issuance, and any other material provision with respect to the terms and conditions of the new issuance.
19. The new issuances authorized herein shall not be redeemed at a premium prior to maturity without further Board approval, unless the estimated present value savings derived from the difference between interest or dividend payments on a new issue of comparable securities and those securities refunded is on an after-tax basis greater than the estimated present value of all redemption, tendering and issuing costs, assuming an appropriate discount rate.

This Order shall become effective on September 27, 2018.

DATED: 9/17/18

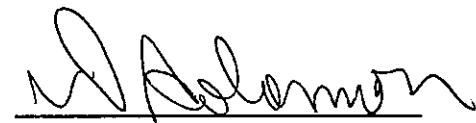
BOARD OF PUBLIC UTILITIES
BY:



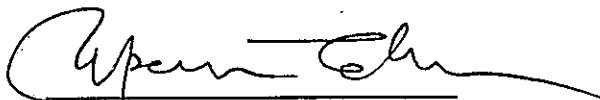
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
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 PETITION OF SOUTH JERSEY GAS COMPANY FOR AUTHORIZATION THROUGH SEPTEMBER 30, 2021: (i) TO MAKE, EXECUTE AND DELIVER PURSUANT TO N.J.S.A. 48:3-7 A SECOND SUPPLEMENTAL MORTGAGE INDENTURE AND ADDITIONAL SUPPLEMENTAL MORTGAGE INDENTURES PROVIDING FOR THE ISSUANCE OF A FIRST MORTGAGE BOND OR BONDS WITH A MATURITY OR MATURITIES OF NOT MORE THAN FORTY (40) YEARS IN AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$1,200,000,000, LESS THE AGGREGATE PRINCIPAL AMOUNT OF ANY OTHER EVIDENCE OF INDEBTEDNESS PAYABLE IN MORE THAN TWELVE (12) MONTHS FROM THE DATE OR DATES THEREOF THAT IS ISSUED PURSUANT TO (iii) BELOW; (ii) TO MAKE, EXECUTE AND DELIVER PURSUANT TO N.J.S.A. 48:3-7 SUCH OTHER SUPPLEMENTAL INDENTURES, AND TO ISSUE SUCH FIRST MORTGAGE BONDS THEREUNDER, AS SHALL BE NECESSARY TO COMPLETE THE TRANSACTIONS CONTEMPLATED IN THIS PETITION; (iii) TO ISSUE OTHER EVIDENCE OF INDEBTEDNESS PAYABLE MORE THAN TWELVE (12) MONTHS FROM THE DATE OR DATES THEREOF; (iv) TO ISSUE AND SELL MEDIUM TERM NOTES WITH A MATURITY OF NOT MORE THAN FORTY (40) YEARS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$1,200,000,000, LESS THE AGGREGATE PRINCIPAL AMOUNT OF ANY OTHER EVIDENCE OF INDEBTEDNESS PAYABLE IN MORE THAN TWELVE (12) MONTHS FROM THE DATE OR DATES THEREOF THAT IS ISSUED PURSUANT TO (iii) ABOVE; (v) TO MAKE, EXECUTE AND DELIVER A TRUST INDENTURE, TRUST INDENTURES OR SUPPLEMENTS THERETO PROVIDING FOR THE ISSUANCE OF MEDIUM TERM NOTES; AND (vi) TO REDEEM, REFINANCE OR DEFEASE ANY OR ALL OF ITS OUTSTANDING LONG-TERM DEBT SECURITIES AS LONG AS THE REDEMPTION, REFINANCING OR DEFEASANCE IS ACCOMPLISHED ON A COST- SAVING BASIS.

DOCKET NO. GF18070696

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