



Agenda Date: 12/21/22  
Agenda Item: 2E

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH )  
JERSEY GAS COMPANY FOR APPROVAL OF )  
INCREASED BASE TARIFF RATES AND )  
CHARGES FOR GAS SERVICE, CHANGES TO )  
DEPRECIATION RATES AND OTHER TARIFF )  
REVISIONS )

DECISION AND ORDER  
ADOPTING INITIAL DECISION AND  
STIPULATION  
BPU DOCKET NO. GR22040253  
OAL DOCKET NO. PUC 04318-22S

**Parties of Record:**

**Deborah M. Franco, Esq.**, SJI Utilities, Inc. on behalf of South Jersey Gas Company  
**Brian O. Lipman, Esq., Director**, Division of Rate Counsel

BY THE BOARD:

**BACKGROUND AND PROCEDURAL HISTORY**

On April 14, 2022, South Jersey Gas Company (“SJG” or “Company”), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities (“Board”), filed a petition pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.A.C. 14:1-5.12, seeking approval of an increase in its operating revenues of approximately \$73.1 million excluding Sales and Use Tax (“SUT”), to be effective for gas service provided on or after May 16, 2022 (“Petition”).<sup>1</sup>

According to the Petition, the primary driver of the proposed rate increase is to provide the Company a reasonable opportunity to earn a fair return on its investments, so that it can continue to invest in the infrastructure necessary to provide safe and reliable service to its customers. Furthermore, SJG requested rate relief to recover greater depreciation expenses and to account for increases to the Company’s operations and maintenance (“O&M”) costs since its prior base rate case.

---

<sup>1</sup> By letter dated April 19, 2022, the Company indicated that it would not implement rates on an interim basis prior to the effective date of the Board’s initial suspension order in this matter. However, the Company noted that it does not waive its right to implement the proposed rates at the conclusion of the eight-month suspension period, should the Board not issue a final Decision and Order by the end of this period.

In the Petition, the Company requested a return on equity of 10.75% and approval to implement new depreciation rates.

SJG also sought authority from the Board to:

1. Increase rates and charges for natural gas service that would result from the proposed amendments to the Company's tariff;
2. Amortize previously deferred costs associated with the Company's Pension & Other Post Employment Benefits ("P&OPEB") regulatory asset over a three (3) year period;
3. Continue deferral treatment of Pipeline Integrity Management ("PIM") expenses;
4. Continue to defer incremental pension and post-retirement healthcare expenses and amortize the costs associated with the deferral of the incremental pension and postretirement healthcare expenses from the prior rate case over three (3) years;
5. Adjust O&M expenses to recover the cost of ongoing Pension and OPEB costs that are currently being deferred;
6. Establish Regulatory Assets for: a) costs related to Transportation Security Administration Directives, b) Transmission Integrity Management Program ("TIMP") costs, and c) Rate Case Expenses; and
7. Update its tariff for certain modifications and revisions, including the implementation of the Uncollectible Adjustment Clause as a component of its Rider E – Societal Benefits Clause.

By Order dated May 18, 2022, the Board suspended the proposed rate increase until September 13, 2022, and on May 25, 2022, the Board transmitted the matter to the Office of Administrative Law ("OAL") as a contested case, assigned to Administrative Law Judge Jacob S. Gertsman ("ALJ Gertsman").

On July 14, 2022, ALJ Gertsman issued an order granting participant status to Public Service Electric and Gas Company and New Jersey Natural Gas Company.

On July 15, 2022, SJG updated its Petition to include nine (9) months of actual data and three (3) months of estimated data. The requested rate increase was modified to approximately \$73.3 million excluding SUT.

By Order dated September 7, 2022, the Board issued an Order further suspending the proposed rate increase until January 13, 2023, pending resolution of this matter at the OAL.

On September 21, 2022, ALJ Gertsman issued an order setting the procedural schedule.

On September 30, 2022, SJG updated its Petition to include 12 months of actual data that supported a rate increase of approximately \$82.3 million excluding SUT.

Following proper public notice in newspapers of general circulation within the Company's service territory and notice served upon affected municipalities and counties with SJG's service area, public hearings were held virtually on September 14, 2022, at 4:30 p.m. and 5:30 p.m. with ALJ Gertsman presiding.<sup>2</sup> No members of the public attended the public hearings or filed comments with the Board.

---

<sup>2</sup> Due to the COVID-19 Pandemic, public hearings were held virtually.

## **STIPULATION**

After discovery and comprehensive settlement discussions, the Company, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”) executed a stipulation of settlement (“Stipulation”), the key elements of which are as follows:<sup>3</sup>

- A. **Rate Increase.** As of the effective date, as defined in the Stipulation, South Jersey will be permitted to increase its base rates in a manner designed to produce a total annual operating revenue increase of \$25.0 million, or 3.4%.

The annual revenue requirement increase is based upon a rate base of \$2,394,117,000 and the following capital structure and cost rates:

<b><u>Type of Capital</u></b>	<b><u>% of Total</u></b>	<b><u>Cost Rate</u></b>	<b><u>Weighted Cost Rate</u></b>
Long-term Debt	46.0%	3.81%	1.75%
Common Equity	54.0%	9.60%	5.18%
Total Capital	100.0%		6.93%

This allowed rate of return results in a revenue requirement of \$25.0 million. The Parties acknowledge that the stipulated revenue requirement reflects consideration of a Consolidated Tax Adjustment. The stipulated rates include recovery of certain post-test year projects, including the Lawnside Line Phase II project (approximately 4.2 miles of main replacement) and the Enterprise Geographic Information System project.

The revenue expansion factor used to gross-up costs for income taxes, uncollectible expense, and BPU and Rate Counsel assessments is 1.413865, which consists of factors for state income taxes of 9% and federal income taxes of 21%, for uncollectibles of 1.343411%, and for the BPU and Rate Counsel assessments of 0.219021% and 0.053774%, respectively.

South Jersey’s total annual revenue requirement is \$752,526,151. A proof of revenues supporting the total annual revenue requirement and the proposed rates is attached as Appendix A to the Stipulation. The proof of revenues sets forth the allocation of the \$25.0 million annual revenue increase among the Company’s customer classes. The rates resulting from the Stipulation will be set forth in the Company’s tariff to be submitted in a compliance filing with the Board following the issuance of a Board order in this matter. The tariff sheets included in that compliance filing will be in a clean and redlined form and incorporate the changes listed in Appendix B of the Stipulation.

- B. **Depreciation.** The annual revenue requirement was determined by applying the depreciation rates set forth on Appendix C attached to the Stipulation. These depreciation rates result in a composite depreciation rate of 2.66% which, when adjusted for a five (5)-year net salvage amount of \$7,290,342, results in a stipulated composite rate of 2.86%. As of the effective date, South Jersey will implement the depreciation rates set forth in Appendix C attached to the Stipulation.

---

<sup>3</sup> Although summarized in this Order, the detailed terms of the Stipulation control, subject to the findings and conclusions of the Order. Paragraphs are numbered to coincide with the Stipulation.

- C. **Amortization of Deferred Debits and Credits.** The stipulated revenue increase reflects consideration of the following regulatory assets, with a three (3) year amortization period:
- (1) Rate Case Expense (50%);
  - (2) BPU Management Audit Costs;
  - (3) P&OPEB costs;
  - (4) PIM Expense; and
  - (5) Protected Excess Accumulated Deferred Income Taxes.

This amortization resolves all issues associated with the recovery of deferred costs requested in the Company's filing. In the event the Company files another base rate case with base rates effective within three (3) years of the rate effective date of the current proceeding, the Company will not seek recovery of, or on, any unamortized balance related to these regulatory assets in that case or any subsequent base rate case.

- D. **New Regulatory Asset.** South Jersey is authorized to create a regulatory asset for incremental TIMP costs, limited to costs for activities that are required by federal regulations, should the Company incur such costs prior to the effective date of rates in its next base rate proceeding. The rates established in this proceeding do not provide for recovery of any TIMP costs. To the extent that the Company seeks to recover such regulatory asset in a future base rate case, nothing in the Stipulation will prejudice the rights of the Stipulating Parties to challenge the prudence of such costs.
- E. **Continuing Deferral Rights.** In its previous base rate case in BPU Docket No. GR20030243, South Jersey was authorized to defer P&OPEB and PIM costs.<sup>4</sup> The proposed rates do not provide for any recovery of ongoing P&OPEB operation and maintenance expenses or ongoing PIM costs. The Company may continue to defer any such costs incurred prior to the effective date of rates in its next base rate proceeding. To the extent that the Company seeks to recover such deferred amounts in a future base rate case, nothing in the Stipulation will prejudice the rights of the Stipulating Parties to challenge the prudence of such costs.
- F. **Customer Service Performance Measures.** South Jersey will continue to submit quarterly reports to Rate Counsel and the Board's Director of the Division of Customer Assistance concerning the Company's performance in relation to certain customer service measures which were included in South Jersey's last rate case stipulation approved in BPU Docket No. GR20030243 and additional metrics as set forth in Appendix D attached to the Stipulation.<sup>5</sup> In addition, the Company will continue to conduct ongoing surveys of customer satisfaction using its telephone and field personnel and provide the results to Rate Counsel and Board Staff. Additional information concerning these service standards is provided in Appendix D attached to the Stipulation.

South Jersey shall submit to Board Staff and Rate Counsel a Call Center Customer Service Improvement Plan ("CCCSIP") developed in coordination with Board Staff and

---

<sup>4</sup> In re the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service, Changes to Depreciation Rates and Other Tariff Revisions, Decision and Order Adopting Initial Decision and Stipulation ("2020 SJG BRC Order"), BPU Docket No. GR20030243 and OAL Docket No. PUC 04830-20, Order dated September 23, 2020 (See Stipulation, Page 7 of 11, Paragraph G).

<sup>5</sup> See 2020 SJG BRC Order, Stipulation, Page 7 of 11, Paragraph H.



Rate Counsel on or before March 15, 2023, unless otherwise directed by the Board in another proceeding. The CCCSIP shall at a minimum include the requested information outlined in Appendix E and Appendix D of the Stipulation. The Company shall submit to Board Staff and Rate Counsel quarterly reports thereafter for one (1) year after two (2) quarters of consistent attainment of the benchmarks contained in Appendix D of the Stipulation regarding progress in meeting and improving call answering performance benchmarks (percentage of calls answered within 30 seconds and call abandonment rate). The reports will also include a narrative description of the efforts South Jersey is taking to improve these metrics and other narrative reports described in Appendix E of the Stipulation. In connection with the CCCSIP, South Jersey will describe efforts taken and challenges encountered in preventing disconnections for non-payment.

- G. **Power to Gas – South Harrison Project.** To the extent that the Company seeks to recover any costs related to the Power to Gas – South Harrison project’s construction costs in a future base rate case, nothing in the Stipulation will prejudice the rights of any Party to take any position in such future base rate case with regard to the project. The Company shall not seek to recover the cost of any hydrogen produced and injected into the Company’s system from the Power to Gas – South Harrison project nor any other costs associated with that project in the derivation of South Jersey’s Basic Gas Supply Service rates or any other filing aside from a future base rate case. In the event South Jersey operates the Power to Gas – South Harrison project to produce hydrogen, it will operate the facility using renewable power. In any proceeding in which South Jersey may seek to recover the costs of operating Power to Gas – South Harrison, it shall demonstrate the renewable energy for operation was acquired at the lowest possible cost to customers, including a demonstration that the cost of the power, including renewable energy attributes, is no higher than the lower cost renewable energy alternative. South Jersey agrees to use competitive processes to acquire renewable energy for future clean energy investments. The Company understands and acknowledges that renewable energy is energy including the renewable attributes, and that the Company may not represent it is using renewable power unless it acquires and retires renewable attributes corresponding to the amount of power used.
- H. **SJG Management Audit.** Nothing in the Stipulation will prejudice the rights of any party to seek to resolve or take any position with regard to issues identified in the Management and Affiliate Audits of South Jersey Gas Company (“Management Audit”) that are pending before the Board in Docket No. GA19091305.<sup>6</sup>
- I. **Tariff Sheets.** As set forth above, tariff sheets reflecting the rates resulting from the Stipulation and the terms and conditions of service will be included in a compliance filing to be submitted to the Board following the issuance of a Board Order in this matter. In addition to the changes reflected in Appendix B of the Stipulation, the tariff sheets will reflect, among other items, a monthly customer charge of \$10.50 applicable to the Residential Service classification, the use of a 20-year weather pattern to establish rates and certain other housekeeping changes.

---

<sup>6</sup> In re the Matter of an Audit of the Affiliated Transactions Between South Jersey Gas Company and its Affiliates and a Comprehensive Management Audit of South Jersey Gas Company Pursuant to N.J.S.A. 48:2-16.4, 48:3-49, 48:3-58 and N.J.A.C. 14:3-12.1 – 14:3-12.4, 14:4-3 et. seq., BPU Docket No. GA19091305.

- J. **Cost of Service Study.** In South Jersey's next distribution base rate case petition, the Company agrees to file an embedded Cost of Service Study ("COSS") using the peak and average methodology for allocating gas distribution costs. Any party, including South Jersey, will have the right to request that adjustments be made to any COSSs submitted in that proceeding. The rate design agreement reflected in the Stipulation is for settlement purposes only and does not establish any precedent for the functionalization, classification, and allocation of costs or the Company's gas cost of service methodology presented in the Petition and associated testimonies filed in this matter.
- K. **Rate Impact.** The monthly bill impact of the stipulated rates on a typical residential heating customer using 100 therms is an increase of \$6.75 from \$200.64 to \$207.39, or approximately 3.4%, as compared to the Company's currently effective rates. The annual bill impact of the stipulated rates on a typical residential heating customer using 1,000 therms is an increase of \$67.47 from \$2,027.39 to \$2,094.86, or approximately 3.3%, compared to the Company's currently effective rates.

Subsequently, ALJ Gertsman issued an Initial Decision accepting the terms of the Stipulation.

### **DISCUSSION AND FINDINGS**

In evaluating a proposed settlement, the Board must review the record; balance the interests of the ratepayers and the shareholders; and determine whether the settlement represents a reasonable disposition of the issues that will enable the Company to provide its customers in this State with safe, adequate, and proper service at just and reasonable rates.<sup>7</sup> The Board recognizes that the parties worked diligently to negotiate a compromise that meets the needs of as many stakeholders as possible. The Board further recognizes that the Stipulation represents a balanced solution considering the many complex issues that were addressed during the proceeding.

Therefore, based upon the Board's review and consideration of the record in this proceeding, the Board **HEREBY FINDS** the Initial Decision and Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the attached Initial Decision and Stipulation in their entirety, and **HEREBY INCORPORATES** their terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

As a result of the approved Stipulation, a typical residential customer using 100 therms monthly will incur an increase of \$6.75 or approximately 3.4% in their monthly bill.

The rates approved by this Order will become effective for service rendered on and after January 1, 2023. The Company is **HEREBY DIRECTED** to file tariff sheets consistent with this Order by December 30, 2022. The Board **HEREBY DIRECTS** Staff to review the compliance tariff filings for consistency with this Order.

The Company's rates 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 Board audit.

---

<sup>7</sup> In re Petition of Pub. Serv. Elec. & Gas, 304 N.J. Super. 247 (App. Div.), cert. denied, 152 N.J. 12 (1997).

This Order shall be effective on December 28, 2022.

DATED: December 21, 2022

BOARD OF PUBLIC UTILITIES  
BY:

  
\_\_\_\_\_  
JOSEPH L. FIORDALISO  
PRESIDENT

  
\_\_\_\_\_  
MARY-ANNA HOLDEN  
COMMISSIONER

  
\_\_\_\_\_  
DIANNE SOLOMON  
COMMISSIONER

  
\_\_\_\_\_  
ROBERT M. GORDON  
COMMISSIONER

  
\_\_\_\_\_  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
CARMEN D. DIAZ  
ACTING 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 APPROVAL OF INCREASED  
BASE TARIFF RATES AND CHARGES FOR GAS SERVICE, CHANGES TO DEPRECIATION RATES AND OTHER  
TARIFF REVISIONS

BPU DOCKET NO. GR22040253  
OAL DOCKET NO. PUC 04318-22S

SERVICE LIST

<p><b><u>South Jersey Gas Company</u></b> 520 Green Lane Union, NJ 07083</p> <p>Deborah M. Franco, Esq. <a href="mailto:dfranco@sjindustries.com">dfranco@sjindustries.com</a></p> <p>Thomas Kaufmann <a href="mailto:tkaufmann@sjindustries.com">tkaufmann@sjindustries.com</a></p> <p>Michael Scacifero <a href="mailto:msscacifero@sjindustries.com">msscacifero@sjindustries.com</a></p> <p>Susan Potanovich <a href="mailto:spotanovich@sjindustries.com">spotanovich@sjindustries.com</a></p> <p><b><u>SJI Utilities, Inc.</u></b> 1 South Jersey Place Atlantic City, NJ 08401</p> <p>Carolyn A. Jacobs <a href="mailto:cjacobs@sjindustries.com">cjacobs@sjindustries.com</a></p> <p>Sheree Kelly <a href="mailto:skelly@sjindustries.com">skelly@sjindustries.com</a></p> <p>Jim Fredericks <a href="mailto:jfredericks@sjindustries.com">jfredericks@sjindustries.com</a></p> <p>Cullen and Dykman 110114th Street, NW, Suite 750 Washington, DC 20005</p> <p>Kenneth T. Maloney <a href="mailto:kmaloney@cullenanddykman.com">kmaloney@cullenanddykman.com</a></p> <p>Terrence Regan <a href="mailto:tregan@cullenllp.com">tregan@cullenllp.com</a></p> <p>Kim Bradshaw <a href="mailto:kbradshaw@cullenllp.com">kbradshaw@cullenllp.com</a></p> <p>Alan D. Felsenthal PricewaterhouseCoopers LLP One North Wacker Drive Chicago, Illinois 60606 <a href="mailto:alan.d.felsenthal@pwc.com">alan.d.felsenthal@pwc.com</a></p>	<p>ScottMadden, Inc. 1900 West Park Drive Suite 250 Westborough, MA 01581</p> <p>Robert B. Hevert <a href="mailto:bhevert@scottmadden.com">bhevert@scottmadden.com</a></p> <p>Timothy S. Lyons <a href="mailto:tlyons@scottmadden.com">tlyons@scottmadden.com</a></p> <p>Dane A. Watson Alliance Consulting Group 101 E. Park Blvd Plano, Texas 75074 <a href="mailto:dwatson@alliancecg.net">dwatson@alliancecg.net</a></p> <p>Daniel P. Yardley Yardley Associates 2409 Providence Hills Drive Matthews, NC 28105 <a href="mailto:dan@yardleyassociates.com">dan@yardleyassociates.com</a></p> <p>Ann Bulkey Concentric Energy Advisors 293 Boston Post Road, West Suite 500 Marlborough, MA 01752 <a href="mailto:abulkley@ceadvisors.com">abulkley@ceadvisors.com</a></p> <p><b><u>Board of Public Utilities</u></b> 44 South Clinton Avenue, 1<sup>st</sup> Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Carmen D. Diaz, Acting Secretary <a href="mailto:board.secretary@bpu.nj.gov">board.secretary@bpu.nj.gov</a></p> <p>Stacy Peterson, Deputy Executive Director <a href="mailto:stacy.peterson@bpu.nj.gov">stacy.peterson@bpu.nj.gov</a></p> <p><u>Counsel's Office</u></p> <p>Heather Weisband, Senior Counsel <a href="mailto:heather.weisband@bpu.nj.gov">heather.weisband@bpu.nj.gov</a></p> <p><u>Economist's Office</u></p> <p>Benjamin Witherell, Chief Economist <a href="mailto:benjamin.witherell@bpu.nj.gov">benjamin.witherell@bpu.nj.gov</a></p> <p>Jackie O'Grady <a href="mailto:jackie.ogrady@bpu.nj.gov">jackie.ogrady@bpu.nj.gov</a></p>
--	--

<p><u>Division of Water and Energy</u></p> <p>Mike Kammer, Director <a href="mailto:mike.kammer@bpu.nj.gov">mike.kammer@bpu.nj.gov</a></p> <p>Malike Cummings, Deputy Director <a href="mailto:malike.cummings@bpu.nj.gov">malike.cummings@bpu.nj.gov</a></p> <p>Paul Lupo <a href="mailto:paul.lupo@bpu.nj.gov">paul.lupo@bpu.nj.gov</a></p> <p>Scott Sumliner <a href="mailto:scott.sumliner@bpu.nj.gov">scott.sumliner@bpu.nj.gov</a></p> <p>Ryan Moran <a href="mailto:ryan.moran@bpu.nj.gov">ryan.moran@bpu.nj.gov</a></p> <p>Jacqueline Galka <a href="mailto:jacqueline.galka@bpu.nj.gov">jacqueline.galka@bpu.nj.gov</a></p> <p>Bart Kilar <a href="mailto:bart.kilar@bpu.nj.gov">bart.kilar@bpu.nj.gov</a></p> <p>William Barkasy <a href="mailto:william.barkasy@bpu.nj.gov">william.barkasy@bpu.nj.gov</a></p> <p>David Brown <a href="mailto:david.brown@bpu.nj.gov">david.brown@bpu.nj.gov</a></p> <p>Dean Taklif <a href="mailto:dean.taklif@bpu.nj.gov">dean.taklif@bpu.nj.gov</a></p> <p>Andrew Tuzzo <a href="mailto:andrew.tuzzo@bpu.nj.gov">andrew.tuzzo@bpu.nj.gov</a></p> <p>Cindy Bianco <a href="mailto:cindy.bianco@bpu.nj.gov">cindy.bianco@bpu.nj.gov</a></p> <p><b><u>New Jersey Division of Rate Counsel</u></b> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director <a href="mailto:blipman@rpa.nj.gov">blipman@rpa.nj.gov</a></p> <p>Maura Caroselli, Esq., Managing Attorney <a href="mailto:mcaroselli@rpa.nj.gov">mcaroselli@rpa.nj.gov</a></p> <p>Sarah Steindel, Esq. <a href="mailto:ssteindel@rpa.nj.gov">ssteindel@rpa.nj.gov</a></p> <p>Emily Smithman, Esq. <a href="mailto:esmithman@rpa.nj.gov">esmithman@rpa.nj.gov</a></p> <p>Carlena Morrison <a href="mailto:cmorrison@rpa.nj.gov">cmorrison@rpa.nj.gov</a></p> <p>Rod Walker &amp; Associates Consultancy 1456 Sinclair Avenue Chattanooga, TN 37408</p>	<p><u>Rate Counsel Consultants</u></p> <p>Acadian Consulting Group 5800 One Perkins Drive Building 5, Suite 5 Baton Rouge, LA 70808</p> <p>Michael Deupree <a href="mailto:michaeldeupree@acadianconsulting.com">michaeldeupree@acadianconsulting.com</a></p> <p>Taylor Deshotels <a href="mailto:taylorshotels@acadianconsulting.com">taylorshotels@acadianconsulting.com</a></p> <p>Emily Mouch <a href="mailto:emilymouch@acadianconsulting.com">emilymouch@acadianconsulting.com</a></p> <p>Susan M. Baldwin SM Baldwin Consulting 45 Acorn Path Groton, MA 01450 <a href="mailto:smbaldwin@consulting@gmail.com">smbaldwin@consulting@gmail.com</a></p> <p>David E. Dismukes, PhD Acadian Consulting Group 5800 One Perkins Drive Building 5, Suite F Baton Rouge, LA 70808</p> <p>Snavelly, King, Majoros &amp; Associates, Inc. PO Box 727 Millersville, MD 21108</p> <p>Michael Majoros, Jr. <a href="mailto:mmajoros@snavelly-king.com">mmajoros@snavelly-king.com</a></p> <p>James Garren <a href="mailto:jgarren@snavelly-king.com">jgarren@snavelly-king.com</a></p> <p>David Habr Habr Economics 213 Comuta Way Nipomo, CA 93444-5020 <a href="mailto:david.habr@habreconomics.com">david.habr@habreconomics.com</a></p> <p>David Peterson Chesapeake Regulatory Consultants, Inc. 1815 Fenwicke Court Huntingtown, MD 20639 <a href="mailto:davep@chesapeake.net">davep@chesapeake.net</a></p> <p>Karl Pavlovic PCMG and Associates 22 Brooks Avenue Gaithersburg, MD 20877 <a href="mailto:kpavlovic@pcmgregcon.com">kpavlovic@pcmgregcon.com</a></p> <p>Dante Mugrace PCMG and Associates 90 Moonlight Court Toms River, NJ 08753 <a href="mailto:dmugrace@pcmgregcon.com">dmugrace@pcmgregcon.com</a></p>
--	--

Rod Walker  
[rwalker@rwalkerconsultancy.com](mailto:rwalker@rwalkerconsultancy.com)

Jeremy Walker  
[jwalker@rwalkerconsultancy.com](mailto:jwalker@rwalkerconsultancy.com)

**New Jersey Division of Law**

Deputy Attorney General  
NJ Department of Law and Public Safety  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street  
Post Office Box 112  
Trenton, NJ 08625-0112

Pamela Owen, ASC  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Terel Klein, DAG  
[terel.klein@law.njoag.gov](mailto:terel.klein@law.njoag.gov)

Matko Ilic, DAG  
[matko.ilic@law.njoag.gov](mailto:matko.ilic@law.njoag.gov)

Daren Eppley, DAG  
[daren.eppley@law.njoag.gov](mailto:daren.eppley@law.njoag.gov)

**New Jersey Natural Gas Company**

1415 Wycoff Road  
PO Box 1465  
Wall, NJ 07719

Andrew K. Dembia, Esq.  
[adembia@njng.com](mailto:adembia@njng.com)

**Public Service Electric and Gas**

PSEG Services Corporation  
80 Park Plaza, T10  
Newark, NJ 07102

Matthew Weissman, Esq.  
[matthew.weissmann@pseg.com](mailto:matthew.weissmann@pseg.com)

Aaron Karp, Esq.  
[aaron.karp@pseg.com](mailto:aaron.karp@pseg.com)



**State of New Jersey**  
OFFICE OF ADMINISTRATIVE LAW

**INITIAL DECISION**

**SETTLEMENT**

OAL DKT. NO. PUC 04318-22

AGENCY DKT. NO. GR22040253

**IN THE MATTER OF THE PETITION OF  
SOUTH JERSEY GAS COMPANY FOR  
APPROVAL OF INCREASE IN BASIC TARIFF  
RATES, CHANGES TO DEPRECIATION  
RATES, AND OTHER TARIFF REVISIONS.  
N.J.S.A. 48:2-18, 48:2-21 AND 48:2-21.1;  
N.J.A.C. 14:1-4.1, 14:1-5.1 AND 14:1-5.12.**

---

**Deborah M. Franco, Esq.**, for South Jersey Gas Company

**Maura Caroselli**, Assistant Deputy Rate Counsel, for Division of Rate Counsel  
(Brian O. Lipman, Director)

**Terel Klein, and Matko Ilic**, Deputy Attorneys General, for Staff of the Board of  
Public Utilities (Matthew J. Platkin, Attorney General of New Jersey,  
attorney)

**Andrew K. Dembia, Esq.**, Regulatory Affairs Counsel, for participant, New Jersey  
Natural Gas

**Aaron I. Karp, Esq.**, Associate Counsel, for participant, Public Service Electric and Gas Company

Record Closed: December 15, 2022

Decided: December 16, 2022

BEFORE **JACOB S. GERTSMAN**, ALJ t/a:

This proceeding involves a petition by South Jersey Gas Company (Company) with the Board of Public Utilities (Board) seeking approval of increased base tariff rates and charges for gas service, changes to depreciation rates and other tariff revisions pursuant to N.J.S.A. 48:2-18, 48:2-21 and 48:2-21.1, and N.J.A.C. 14:1-4.1, 14:1-5.1 and 14:1-5.12.

This matter was transmitted to the Office of Administrative Law (OAL), on May 26, 2022, for determination as a contested case, pursuant to N.J.S.A. 52:14B-1 to N.J.S.A. 52:14B-15; N.J.S.A. 52:14F-1 to N.J.S.A. 52:14F-13, and assigned to the undersigned, who conducted the initial case management conference on June 23, 2022. Motions to participate were filed by Public Service Electric and Gas Company (PSE&G) on May 13, 2022, and by New Jersey National Gas Company (NJNG) on May 16, 2022. The motions were granted on July 14, 2022.

Duly noticed public hearings were held via Zoom Video Communications (Zoom) on September 14, 2022, at 4:30 p.m. and 5:30 p.m.<sup>1</sup> Three members of the public appeared at the 4:30 hearing but did not testify. No members of the public appeared at the 5:30 hearing, and no written comments were received.

Prior to the commencement of the evidentiary hearings, the parties filed on December 15, 2022, a Stipulation of Settlement (J-1), resolving all issues in this proceeding. The Stipulation has been signed by petitioner, South Jersey Gas Company, the Staff of the Board of Public Utilities and the Division of Rate Counsel. It indicates the

---

<sup>1</sup> Public hearings were held virtually due to the COVID-19 pandemic.



terms of settlement and is attached and fully incorporated herein. Participants NJNG and PSE&G submitted letters indicating no objection to the Stipulation of Settlement.

I have reviewed the terms of settlements and I **FIND**:

1. The parties have voluntarily agreed to the settlements as evidenced by their signatures or their representatives' signatures on the attached document.
2. The settlements fully dispose of all issues in controversy between the parties and is consistent with the law.

I **CONCLUDE** that this agreement 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.

December 16, 2022  
DATE

  
\_\_\_\_\_  
**JACOB S. GERTSMAN, ALJ t/a**

Date Received at Agency: \_\_\_\_\_

Date Mailed to Parties: \_\_\_\_\_

JSG/jm

**APPENDIX**

**EXHIBITS**

**Jointly Submitted**

J-1 Stipulation of Settlement



Cullen | Dykman

Cullen and Dykman LLP  
Washington D.C.  
1101 14<sup>th</sup> Street, N.W., Suite 750  
Washington, D.C. 20005  
T: 202.223.8890  
F: 866.767.6548

RECEIVED  
2022 DEC 16 A 10:23  
STATE OF NEW JERSEY  
OFFICE OF ADMINISTRATIVE LAW

**Kenneth T. Maloney**  
Partner  
Direct Dial: (202) 223-8890  
[KMaloney@cullenllp.com](mailto:KMaloney@cullenllp.com)

December 15, 2022

*Via Electronic Mail*

Honorable Jacob S. Gertsman  
Administrative Law Judge  
Office of Administrative Law  
9 Quakerbridge Plaza  
Trenton, NJ 08619

**Re: In The Matter of the Petition of South Jersey Gas Company For Approval of Increased Base Tariff Rates and Charges For Gas Service, Changes to Depreciation Rates and Other Tariff Revisions  
OAL Docket No. PUC 04318-22; BPU Docket No. GR22040253**

Dear Judge Gertsman:

Enclosed for filing in the above proceeding is a Stipulation that has been executed by representatives of South Jersey Gas Company, the Staff of the Board of Public Utilities and the Division of Rate Counsel. The Stipulation, if approved, resolves all issues in this proceeding. It is respectfully requested that Your Honor approve this Stipulation in its entirety as soon as your schedule permits to enable consideration of the Stipulation by the New Jersey Board of Public Utilities at its December 21, 2022 agenda meeting.

In accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and May 20, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided at a later time, if needed.

Thank you for your consideration of this request. Please contact the undersigned if you have questions or require further information.

Respectfully submitted,

/s/ Kenneth T. Maloney  
Kenneth T. Maloney

Of Counsel  
South Jersey Gas Company

cc: Service List (with enclosure)

FOUNDED 1850

NEW YORK NEW JERSEY WASHINGTON DC

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF  
INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE, CHANGES TO DEPRECIATION  
RATES AND OTHER TARIFF REVISIONS

BPU DOCKET NO. GR22040253

SERVICE LIST

Deborah M. Franco, Esq.  
SJI Utilities, Inc.  
520 Green Lane  
Union, NJ 07083  
dfranco@sjindustries.com

Sheree Kelly, Esq.  
SJI Utilities, Inc.  
520 Green Lane  
Union, NJ 07083  
skelly@sjindustries.com

Cindy Capozzoli  
SJI Utilities, Inc.  
1 South Jersey Place  
Atlantic City, NJ 08401  
ccapozzoli@sjindustries.com

Carolyn A. Jacobs  
SJI Utilities, Inc.  
1 South Jersey Place  
Atlantic City, NJ 08401  
cjacobs@sjindustries.com

James Fredericks  
SJI Utilities, Inc.  
1 South Jersey Place  
Atlantic City, NJ 08401  
jfredericks@sjindustries.com

Karen Crispin  
South Jersey Gas Company  
1 South Jersey Place  
Atlantic City, NJ 08401  
kcrispin@sjindustries.com

John Houseman  
South Jersey Industries, Inc.  
1 South Jersey Plaza  
Hammonton, NJ 08037  
jhouseman@sjindustries.com

William Barkasy  
Board of Public Utilities  
44 South Clinton Ave  
P.O. Box 350  
Trenton, NJ 08625-0350  
[William.barkasy@bpu.nj.gov](mailto:William.barkasy@bpu.nj.gov)

Robert Brabston  
Board of Public Utilities  
44 South Clinton Ave  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Robert.Brabston@bpu.nj.gov](mailto:Robert.Brabston@bpu.nj.gov)

Cindy Bianco  
Board of Public Utilities  
44 South Clinton Ave  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Cindy.Bianco@bpu.nj.gov](mailto:Cindy.Bianco@bpu.nj.gov)

David Brown  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[david.brown@bpu.nj.gov](mailto:david.brown@bpu.nj.gov)

Julie Ford-Williams  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Julie.Ford@bpu.nj.gov](mailto:Julie.Ford@bpu.nj.gov)

Jason Forsythe  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Jason.forsythe@bpu.nj.gov](mailto:Jason.forsythe@bpu.nj.gov)

Jacqueline Galka  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Jacqueline.Galka@bpu.nj.gov](mailto:Jacqueline.Galka@bpu.nj.gov)

Michael Kammer  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Mike.Kammer@bpu.nj.gov](mailto:Mike.Kammer@bpu.nj.gov)

Bart Kilar  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Bart.Kilar@bpu.nj.gov](mailto:Bart.Kilar@bpu.nj.gov)

Dr. Son-Lin Lai  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[son.lai@bpu.nj.gov](mailto:son.lai@bpu.nj.gov)

Paul Lupo  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Paul.Lupo@bpu.nj.gov](mailto:Paul.Lupo@bpu.nj.gov)

Ryan Moran  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Ryan.Moran@bpu.nj.gov](mailto:Ryan.Moran@bpu.nj.gov)

Jackie O'Grady  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[jackie.ogrady@bpu.nj.gov](mailto:jackie.ogrady@bpu.nj.gov)

Christopher Oprysk  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Christopher.Oprysk@bpu.nj.gov](mailto:Christopher.Oprysk@bpu.nj.gov)



**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF  
INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE, CHANGES TO DEPRECIATION  
RATES AND OTHER TARIFF REVISIONS**

**BPU DOCKET NO. GR22040253**

**SERVICE LIST**

Stacy Peterson  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Stacy.Peterson@bpu.nj.gov](mailto:Stacy.Peterson@bpu.nj.gov)

Scott Sumliner  
**Board of Public Utilities**  
44 South Clinton Avenue  
P. O. Box 350  
Trenton, NJ 08625-0350  
[scott.sumliner@bpu.nj.gov](mailto:scott.sumliner@bpu.nj.gov)

Dean Taklif  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[dean.taklif@bpu.nj.gov](mailto:dean.taklif@bpu.nj.gov)

Andrew Tuzzo  
**Board of Public Utilities**  
44 South Clinton Avenue  
P. O. Box 350  
Trenton, NJ 08625-0350  
[Andrew.Tuzzo@bpu.nj.gov](mailto:Andrew.Tuzzo@bpu.nj.gov)

Juan Urena  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Juan.Urena@bpu.nj.gov](mailto:Juan.Urena@bpu.nj.gov)

Heather Weisband  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Heather.Weisband@bpu.nj.gov](mailto:Heather.Weisband@bpu.nj.gov)

Benjamin Witherell  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Benjamin.witherell@bpu.nj.gov](mailto:Benjamin.witherell@bpu.nj.gov)

Malike Cummings  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Malike.cummings@bpu.nj.gov](mailto:Malike.cummings@bpu.nj.gov)

Michael Beck  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Michael.beck@bpu.nj.gov](mailto:Michael.beck@bpu.nj.gov)

Kurt Lewandowski, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[klewando@rpa.nj.gov](mailto:klewando@rpa.nj.gov)

Maura Caroselli, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[mcaroselli@rpa.nj.gov](mailto:mcaroselli@rpa.nj.gov)

Karen Forbes  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[kforbes@rpa.nj.gov](mailto:kforbes@rpa.nj.gov)

Carlana Morrison, Paralegal  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[cmorrison@rpa.nj.gov](mailto:cmorrison@rpa.nj.gov)

Brian Lipman  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Megan Lupo, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[mlupo@rpa.nj.gov](mailto:mlupo@rpa.nj.gov)

Terel Klein, DAG  
**NJ Dept of Law & Public Safety**  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625  
[Terel.Klein@law.njoag.gov](mailto:Terel.Klein@law.njoag.gov)

Emily Smithman, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[esmithman@rpa.nj.gov](mailto:esmithman@rpa.nj.gov)

Sarah H. Steindel, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[ssteinde@rpa.nj.gov](mailto:ssteinde@rpa.nj.gov)

Alan D. Felsenthal  
**PricewaterhouseCoopers LLP**  
One North Wacker Drive  
Chicago, Illinois 60606  
[alan.d.felsenthal@pwc.com](mailto:alan.d.felsenthal@pwc.com)

Kenneth T. Maloney  
**Cullen and Dykman**  
1101 14<sup>th</sup> Street, NW  
Suite 750  
Washington, DC 20005  
[kmaloney@cullenllp.com](mailto:kmaloney@cullenllp.com)

Terrence Regan  
**Cullen and Dykman**  
44 Wall Street  
New York, NY 10005  
[tregan@cullenllp.com](mailto:tregan@cullenllp.com)

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF  
INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE, CHANGES TO DEPRECIATION  
RATES AND OTHER TARIFF REVISIONS**

**BPU DOCKET NO. GR22040253**

**SERVICE LIST**

Dane A. Watson  
**Alliance Consulting Group**  
101 E. Park Blvd  
Plano, Texas 75074  
[dwatson@alliancecg.net](mailto:dwatson@alliancecg.net)

Ann Bulkley  
Principal  
**The Brattle Group**  
One Beacon Street  
Suite 2600  
Boston, MA 02108  
[ann.bulkley@brattle.com](mailto:ann.bulkley@brattle.com)

Jessica Rozier  
**GDS Associates, Inc.**  
1850 Parkway Place, Suite 800  
Marietta, GA 30067  
[Jessica.rozier@gdsassociates.com](mailto:Jessica.rozier@gdsassociates.com)

David S. Habr  
**Habr Economics**  
213 Comuta Way  
Nipomo, CA 93444-5020  
[David.habr@habreconomics.com](mailto:David.habr@habreconomics.com)

Dante Mugrace, Sr Consultant  
**PCMG and Associates**  
90 Moonlight Court  
Toms River, NJ 08753  
[dmugrace@pcmgregcon.com](mailto:dmugrace@pcmgregcon.com)

David E. Dismukes, Ph.D  
**Acadian Consulting Group**  
5800 One Perkins Drive  
Bldg. 5, Suite F  
Baton Rouge, LA 70808  
[daviddismukes@acadianconsulting.com](mailto:daviddismukes@acadianconsulting.com)

Emily Mouch  
**Acadian Consulting Group**  
5800 One Perkins Drive  
Bldg. 5, Suite F  
Baton Rouge, LA 70808  
[emilymouch@acadianconsulting.com](mailto:emilymouch@acadianconsulting.com)

Timothy S. Lyons  
**ScottMadden, Inc.**  
1900 West Park Drive  
Suite 250  
Westborough, MA 01581  
[tlyons@scottmadden.com](mailto:tlyons@scottmadden.com)

Daniel P. Yardley  
**Yardley Associates**  
2409 Providence Hills Drive  
Matthews, NC 28105  
[dan@yardleyassociates.com](mailto:dan@yardleyassociates.com)

Kate St. Clair  
**GDS Associates, Inc.**  
1850 Parkway Place, Suite 800  
Marietta, GA 30067  
[Kate.stclair@gdsassociates.com](mailto:Kate.stclair@gdsassociates.com)

David Peterson  
**Chesapeake Regulatory Consultants**  
1815 Fenwicke Ct.  
Huntington, MD 20639  
[davep@chesapeake.net](mailto:davep@chesapeake.net)

Rod Walker  
**Rod Walker & Associates  
Consultancy**  
1456 Sinclair Avenue  
Chattanooga, TN 37408  
[rwalker@rwalkerconsultancy.com](mailto:rwalker@rwalkerconsultancy.com)

Michael Deupree  
**Acadian Consulting Group**  
5800 One Perkins Drive  
Bldg. 5, Suite F  
Baton Rouge, LA 70808  
[michaeldeupree@acadianconsulting.com](mailto:michaeldeupree@acadianconsulting.com)

Andrew K. Dembia, Esq.  
**New Jersey Natural**  
1415 Wyckoff Road  
P.O. Box 1464  
Wall, NJ 07719  
[adembia@njng.com](mailto:adembia@njng.com)

Paul Moul  
**P. Moul & Associates**  
251 Hopkins Road  
Haddonfield, NJ 08033  
[prmoul@verizon.net](mailto:prmoul@verizon.net)

Susan M. Baldwin  
**SM Baldwin Consulting**  
45 Acorn Path  
Groton, Massachusetts 01450  
[smbaldwinconsulting@gmail.com](mailto:smbaldwinconsulting@gmail.com)

James Garren  
**GDS Associates, Inc.**  
1850 Parkway Place, Suite 800  
Marietta, GA 30067  
[James.garren@gdsassociates.com](mailto:James.garren@gdsassociates.com)

Karl Pavlovic  
**PCMG and Associates**  
22 Brooks Avenue  
Gaithersburg, MD 20877  
[kpavlovic@pcmgregcon.com](mailto:kpavlovic@pcmgregcon.com)

Jeremy Walker  
**Rod Walker & Associates  
Consultancy**  
1456 Sinclair Avenue  
Chattanooga, TN 37408  
[jwalker@rwalkerconsultancy.com](mailto:jwalker@rwalkerconsultancy.com)

Taylor Deshotels  
**Acadian Consulting Group**  
5800 One Perkins Drive  
Bldg. 5, Suite F  
Baton Rouge, LA 70808  
[taylordeshotels@acadianconsulting.com](mailto:taylordeshotels@acadianconsulting.com)

Aaron I. Karp, Esq.  
**PSE&G Service Corporation**  
80 Park Plaza, T10  
Newark, NJ 07102  
[Aaron.karp@pseg.com](mailto:Aaron.karp@pseg.com)

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

**In the Matter of the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service, Changes to Depreciation Rates and Other Tariff Revisions** :  
: **STIPULATION**  
:  
: **BPU Docket No. GR22040253**  
: **OAL Docket No. PUC 04318-22S**  
:  
:

**APPEARANCES:**

**Deborah M. Franco, Esq.**, VP, Rates, Regulatory and Sustainability, and **Sheree L. Kelly, Esq.**, Regulatory Affairs Counsel, SJI Utilities, Inc., on behalf of South Jersey Gas Company  
**Kenneth T. Maloney, Esq.** and **Terrence W. Regan, Esq.** (Cullen and Dykman LLP), Attorneys for Petitioner, South Jersey Gas Company

**Terel Klein, Esq.**, Deputy Attorney General, for Staff of the Board of Public Utilities (**Matthew J. Platkin**, Attorney General of New Jersey)

**Maura Caroselli, Esq.**, Managing Attorney, **Sarah H. Steindel, Esq.**, **Kurt Lewandowski, Esq.**, **Megan Lupo, Esq.**, and **Emily Smithman, Esq.**, Assistant Deputy Rate Counsels for the New Jersey Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director)

**TO THE HONORABLE JACOB S. GERTSMAN, ADMINISTRATIVE LAW JUDGE**

**BACKGROUND**

On April 14, 2022, South Jersey Gas Company (“South Jersey” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“BPU” or “Board”) requesting authority to: (1) increase base tariff rates and charges for gas service in a manner designed to produce an increase in annual operating revenues of approximately \$73.1 million or 11%, excluding Sales and use Tax (“SUT”), over present rate revenues pursuant to N.J.S.A. 48:2-21 and 48:2-21.1 and N.J.A.C. 14:5-12; (2) modify the Company’s depreciation rates pursuant to N.J.S.A. 48:2-18 and N.J.A.C. 14:1-5.7; (3) establish or maintain certain regulatory assets; and (4) implement certain other tariff revisions (“Petition”).

The Petition was based on a 12-month test year period ending August 31, 2022 and contained six (6) months of actual data and six (6) months of projected data. The Petition also

included proposed post-test year adjustments that reflected changes in capital expenditures through February 28, 2023 and changes in certain revenues and expenses through May 31, 2023.

The Petition included testimony and supporting schedules from the following witnesses and witness panels: Brent W. Schomber (Case Overview); Cindy L. Capozzoli (Revenue Requirements, Revenue Forecast, and Tariff); the Engineering Panel, consisting of Raymond Wenzel and Brian Ritz (Capital Expenditures); John L. Houseman (Accounting); Paul Moul (Cost of Capital and Capital Structure); Timothy S. Lyons (Lead-Lag Study); Dane A. Watson (Depreciation); Alan D. Felsenthal (Tax); and Daniel P. Yardley (Cost of Service/Rate Design).

On July 15, 2022, the Company submitted a “9+3” filing containing actual results for the nine (9) months ending May 31, 2022, reflecting an updated revenue requirement of approximately \$73.3 million, excluding SUT. On September 30, 2022, the Company submitted a “12+0” filing containing actual results for the 12 month test year period ending August 31, 2022, reflecting an updated revenue requirement of approximately \$82.3 million, excluding SUT. The Company subsequently amended its 12+0 filing through an errata filing made October 27, 2022, which reflected a corrected revenue requirement of approximately \$81.5 million, excluding SUT.

South Jersey’s Petition was transmitted to the Office of Administrative Law (“OAL”) as a contested case and assigned to Administrative Law Judge (“ALJ”) Jacob S. Gertsman. A prehearing conference was held via telephone on July 26, 2022 and ALJ Gertsman issued a prehearing order dated September 21, 2022 establishing a procedural schedule for this proceeding. After appropriate motions, New Jersey Natural Gas Company and Public Service Electric & Gas Company were granted participant status in this proceeding.

After appropriate notice in newspapers of general circulation in South Jersey’s service territory and the service of notice upon affected municipalities and counties in the Company’s



service area, public hearings concerning the Petition were held via teleconference on September 14, 2022 at 4:30 p.m. and 5:30 p.m. No members of the public participated in the public hearings. The Board did not receive any written public comments regarding the Petition.

After extensive discovery and settlement discussions, South Jersey, Board Staff and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”), reached this Stipulation of Settlement (“Stipulation”) resolving all issues in this proceeding subject to the terms and conditions stated herein.

### **STIPULATED MATTERS**

The Parties hereby **STIPULATE AND AGREE** as follows:

**A. Rate Increase.** As of the effective date, as defined below, South Jersey will be permitted to increase its base rates in a manner designed to produce a total annual operating revenue increase of \$25.0 million, or 3.4%, inclusive of applicable taxes.

The annual revenue requirement increase is based upon a rate base of \$2,394,117,000 and the following capital structure and cost rates:

<b><u>Type of Capital</u></b>	<b><u>% of Total</u></b>	<b><u>Cost Rate</u></b>	<b><u>Weighted Cost Rate</u></b>
Long-term Debt	46.0%	3.81%	1.75%
Common Equity	54.0%	9.60%	5.18%
Total Capital	100.0%		6.93%

This allowed rate of return results in a revenue requirement of \$25.0 million. The Parties acknowledge that the stipulated revenue requirement reflects consideration of a Consolidated Tax Adjustment. The stipulated rates include recovery of certain post-test year projects, including the Lawnside Line Phase II project (approximately 4.2 miles of main replacement) and the Enterprise Geographic Information System project.

The revenue expansion factor used to gross-up costs for income taxes, uncollectible expense, and BPU and Rate Counsel assessments is 1.413865, which consists of factors for state income taxes of 9% and federal income taxes of 21%, for uncollectibles of 1.343411%, and for the BPU and Rate Counsel assessments of 0.219021% and 0.053774%, respectively.

South Jersey's total annual revenue requirement is \$752,526,151. A proof of revenues supporting the total annual revenue requirement and the proposed rates is attached as Appendix A to this Stipulation. The proof of revenues sets forth the allocation of the \$25.0 million annual revenue increase among the Company's customer classes. The rates resulting from the Stipulation will be set forth in the Company's tariff to be submitted in a compliance filing with the Board following the issuance of a Board order in this matter. The tariff sheets included in that compliance filing will be in a clean and redlined form and incorporate the changes listed in Appendix B.

**B. Depreciation.** The annual revenue requirement was determined by applying the depreciation rates set forth on Appendix C to this Stipulation. These depreciation rates result in a composite depreciation rate of 2.66% which, when adjusted for a five (5)-year net salvage amount of \$7,290,342, results in a stipulated composite rate of 2.86%. As of the Effective Date, South Jersey will implement the depreciation rates set forth in Appendix C to this Stipulation.

**C. Amortization of Deferred Debits and Credits.** The stipulated revenue increase reflects consideration of the following regulatory assets, with a three (3) year amortization period:

- (1) Rate Case Expense (50%);
- (2) BPU Management Audit Costs;
- (3) Pension and Other Post-Employment Benefits ("P&OPEB") costs;
- (4) Pipeline Integrity Management ("PIM") Expense; and
- (5) Protected Excess Accumulated Deferred Income Taxes.

This amortization resolves all issues associated with the recovery of deferred costs requested in the Company's filing. In the event the Company files another base rate case with base rates effective within three (3) years of the rate effective date of the current proceeding, the Company will not seek recovery of, or on, any unamortized balance related to these regulatory assets in that case or any subsequent base rate case.

**D. New Regulatory Asset.** South Jersey is authorized to create a regulatory asset for incremental transmission integrity management program ("TIMP") costs, limited to costs for activities that are required by federal regulations, should the Company incur such costs prior to the effective date of rates in its next base rate proceeding. The rates established in this proceeding do not provide for recovery of any TIMP costs. To the extent that the Company seeks to recover such regulatory asset in a future base rate case, nothing herein will prejudice the rights of the Stipulating Parties to challenge the prudence of such costs.

**E. Continuing Deferral Rights.** In its previous base rate case in BPU Docket No. GR20030243, South Jersey was authorized to defer P&OPEB and PIM costs.<sup>1</sup> The proposed rates do not provide for any recovery of ongoing P&OPEB operation and maintenance expenses or ongoing PIM costs. The Company may continue to defer any such costs incurred prior to the effective date of rates in its next base rate proceeding. To the extent that the Company seeks to recover such deferred amounts in a future base rate case, nothing herein will prejudice the rights of the Stipulating Parties to challenge the prudence of such costs.

**F. Customer Service Performance Measures.** South Jersey will continue to submit quarterly reports to Rate Counsel and the Board's Director of the Division of Customer Assistance

---

<sup>1</sup> In re the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service, Changes to Depreciation Rates and Other Tariff Revisions, Decision and Order Adopting Initial Decision and Stipulation ("2020 SJG BRC Order"), BPU Docket No. GR20030243 and OAL Docket No. PUC 04830-20, Order dated September 23, 2020 (See Stipulation, Page 7 of 11, Paragraph G).

concerning the Company's performance in relation to certain customer service measures which were included in South Jersey's last rate case stipulation approved in BPU Docket No. GR20030243 and additional metrics as set forth in Appendix D to this Stipulation.<sup>2</sup> In addition, the Company will continue to conduct ongoing surveys of customer satisfaction using its telephone and field personnel and provide the results to Rate Counsel and Board Staff. Additional information concerning these service standards is provided in Appendix D to this Stipulation.

South Jersey shall submit to Board Staff and Rate Counsel a Call Center Customer Service Improvement Plan ("CCCSIP") developed in coordination with Board Staff and Rate Counsel on or before March 15, 2023, unless otherwise directed by the Board in another proceeding. The CCCSIP shall at a minimum include the requested information outlined in Appendix E and Appendix D. The Company shall submit to Board Staff and Rate Counsel quarterly reports thereafter for one (1) year after two (2) quarters of consistent attainment of the benchmarks contained in Appendix D regarding progress in meeting and improving call answering performance benchmarks (percentage of calls answered within 30 seconds and call abandonment rate). The reports will also include a narrative description of the efforts South Jersey is taking to improve these metrics and other narrative reports described in Appendix E. In connection with the CCCSIP, South Jersey will describe efforts taken and challenges encountered in preventing disconnections for non-payment.

**G. Power to Gas – South Harrison Project.** To the extent that the Company seeks to recover any costs related to the Power to Gas – South Harrison project's construction costs in a future base rate case, nothing in this Stipulation will prejudice the rights of any Party to take any position in such future base rate case with regard to the project. The Company shall not seek to

---

<sup>2</sup> See 2020 SJG BRC Order, Stipulation, Page 7 of 11, Paragraph H.

recover the cost of any hydrogen produced and injected into the Company's system from the Power to Gas – South Harrison project nor any other costs associated with that project in the derivation of South Jersey's Basic Gas Supply Service rates or any other filing aside from a future base rate case. In the event South Jersey operates the Power to Gas – South Harrison project to produce hydrogen, it will operate the facility using renewable power. In any proceeding in which South Jersey may seek to recover the costs of operating Power to Gas – South Harrison, it shall demonstrate the renewable energy for operation was acquired at the lowest possible cost to customers, including a demonstration that the cost of the power, including renewable energy attributes, is no higher than the lower cost renewable energy alternative. South Jersey agrees to use competitive processes to acquire renewable energy for future clean energy investments. The Company understands and acknowledges that renewable energy is energy including the renewable attributes, and that the Company may not represent it is using renewable power unless it acquires and retires renewable attributes corresponding to the amount of power used.

**H. SJG Management Audit.** Nothing in this Stipulation will prejudice the rights of any party to seek to resolve or take any position with regard to issues identified in the Management and Affiliate Audits of South Jersey Gas Company ("Management Audit") that are pending before the Board in Docket No. GA19091305.<sup>3</sup>

**I. Tariff Sheets.** As set forth above, tariff sheets reflecting the rates, inclusive of applicable SUT, resulting from this Stipulation and the terms and conditions of service will be included in a compliance filing to be submitted to the Board following the issuance of a Board Order in this matter. In addition to the changes reflected in Appendix B, the tariff sheets will

---

<sup>3</sup> In re the Matter of an Audit of the Affiliated Transactions Between South Jersey Gas Company and its Affiliates and a Comprehensive Management Audit of South Jersey Gas Company Pursuant to N.J.S.A. 48:2-16.4, 48:3-49, 48:3-58 and N.J.A.C. 14:3-12.1 – 14:3-12.4, 14:4-3 et. seq., BPU Docket No. GA19091305.

reflect, among other items, a monthly customer charge of \$10.50 applicable to the Residential Service classification, inclusive of applicable SUT, the use of a 20-year weather pattern to establish rates and certain other housekeeping changes.

**J. Cost of Service Study.** In South Jersey's next distribution base rate case petition, the Company agrees to file an embedded Cost of Service Study ("COSS") using the peak and average methodology for allocating gas distribution costs. Any party, including South Jersey, will have the right to request that adjustments be made to any COSSs submitted in that proceeding. The rate design agreement reflected in the Stipulation is for settlement purposes only and does not establish any precedent for the functionalization, classification, and allocation of costs or the Company's gas cost of service methodology presented in the Petition and associated testimonies filed in this matter.

**K. Rate Impact.** The monthly bill impact of the stipulated rates on a typical residential heating customer using 100 therms is an increase of \$6.75 from \$200.64 to \$207.39, or approximately 3.4%, as compared to the Company's currently effective rates. The annual bill impact of the stipulated rates on a typical residential heating customer using 1,000 therms is an increase of \$67.47 from \$2,027.39 to \$2,094.86, or approximately 3.3%, compared to the Company's currently effective rates.

**L. Effective Date.** Each Party shall use its best efforts that this Stipulation be considered at the Board's December 21, 2022 regularly scheduled public agenda meeting. Should the Board issue an Order approving this Stipulation, it shall become effective upon such date that the Board may specify and in accordance with N.J.S.A. 48:2-40.

**M. Further Provisions.** This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its


entirety. In the event that any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order(s), 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.

It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item. Except as set forth herein, the Parties further agree that this Stipulation is not binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

**WHEREFORE**, the Parties hereto respectfully submit this Stipulation to the Presiding ALJ and Board and request (i) the Presiding ALJ to issue an initial decision approving this stipulation, and (ii) the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

**SOUTH JERSEY GAS COMPANY**

**BRIAN O. LIPMAN, DIRECTOR  
NEW JERSEY DIVISION OF  
RATE COUNSEL**

By:   
**DEBORAH M. FRANCO, ESQ.  
VP, RATES, REGULATORY AND  
SUSTAINABILITY**

By:  GR22040253  
**MAURA CAROSELLI, ESQ.  
MANAGING ATTORNEY**

**MATTHEW J. PLATKIN  
ATTORNEY GENERAL OF  
NEW JERSEY**

By:   
**TEREL KLEIN, ESQ.  
DEPUTY ATTORNEY GENERAL**

Dated: Dec. 15, 2022



South Jersey Gas Company  
Base and Total Revenues at Present and Proposed Rates

Component	Amount	Units	Present Rates		Proposed Rates		
			Rate	Revenue	Rate	Revenue	Increase
			<u>RSG</u>		<u>RSG</u>		
<u>Residential Service</u>							
Customer Charge	4,680,066	Bills	\$ 9.85	\$ 46,098,650	\$ 9.85	\$ 46,098,650	
Distribution Charge	279,534,371	Therms	0.833891	233,101,196	0.897170	250,789,852	
				-		-	
<b>Total Base Revenues</b>				<b>\$ 279,199,846</b>		<b>\$ 296,888,502</b>	<b>6.3%</b>

			<u>GSG</u>		<u>GSG</u>		
<u>General Service (0-100,000 Annual Therms)</u>							
Customer Charge	328,476	Bills	\$ 34.75	\$ 11,414,541	\$ 37.98	\$ 12,475,518	
Distribution Charge	101,159,292	Therms	0.683240	69,116,075	0.723187	73,157,085	
				-		-	
<b>Total Base Revenues</b>				<b>\$ 80,630,616</b>		<b>\$ 86,632,604</b>	<b>6.3%</b>

			<u>GSG-LV</u>		<u>GSG-LV</u>		
<u>General Service Large Volume (100,000 + Annual Therms)</u>							
Customer Charge	2,132	Bills	\$ 225.00	\$ 479,700	\$ 247.60	\$ 527,883	
Demand Charge	225,544	Mcf	12.2500	2,762,914	\$ 13.3177	3,003,727	
Distribution Charge	29,915,047	Therms	0.340340	10,181,287	0.359109	10,742,763	
				-		-	
<b>Total Base Revenues</b>				<b>\$ 13,423,901</b>		<b>\$ 14,274,373</b>	<b>6.3%</b>

			<u>CTS</u>		<u>CTS</u>		
<u>Comprehensive Firm Transportation Service</u>							
Customer Charge	593	Bills	\$ 750.00	\$ 444,750	\$ 820.63	\$ 486,634	
Demand Charge	178,368	Mcf	31.7500	5,663,184	\$ 34.7011	6,189,566	
Distribution Charge	32,718,178	Therms	0.090917	2,974,639	0.091136	2,981,804	
				-		-	
<b>Total Base Revenues</b>				<b>\$ 9,082,573</b>		<b>\$ 9,658,003</b>	<b>6.3%</b>

South Jersey Gas Company  
Base and Total Revenues at Present and Proposed Rates

Component	Amount	Units	Present Rates		Proposed Rates		
			Rate	Revenue	Rate	Revenue	Increase
			<u>LVS</u>		<u>LVS</u>		
Customer Charge	311	Bills	\$ 1,050.00	\$ 326,550	\$ 1,148.89	\$ 357,305	
Demand Charge	290,273	Mcf	18.7500	5,442,619	\$ 20.6331	5,989,232	
Distribution Charge	68,504,303	Therms	0.060461	4,141,839	0.061199	4,192,395	
<b>Total Base Revenues</b>				<b>\$ 9,911,007</b>		<b>\$ 10,538,931</b>	<b>6.3%</b>

			<u>EGS</u>		<u>EGS</u>		
Customer Charge	139	Bills	\$ 79.00	\$ 10,981	\$ 86.28	\$ 11,993	
Demand Charge	9,962	Mcf	8.2500	82,187	\$ 9.1442	91,095	
Distribution Charge (Nov - Mar.)	829,093	Therms	0.161126	133,588	0.168130	139,395	
Distribution Charge (Apr - Oct.)	1,043,848	Therms	0.131126	136,876	0.138130	144,187	
<b>Total Base Revenues</b>				<b>\$ 363,632</b>		<b>\$ 386,670</b>	<b>6.3%</b>

			<u>EGS-LV</u>		<u>EGS-LV</u>		
Customer Charge	120	Bills	\$ 750.00	\$ 90,000	\$ 820.63	\$ 98,476	
Demand Charge	23,280	Mcf	26.078814	607,115	27.611897	642,805	
<b>Total Base Revenues</b>				<b>\$ 697,115</b>		<b>\$ 741,281</b>	<b>6.3%</b>

			<u>NGV</u>		<u>NGV</u>		
Customer Charge 0-999 CFH	12	Bills	\$ 37.50	\$ 450	\$ 37.50	\$ 450	
Customer Charge 1,000-4,999 CFH	-	Bills	75.00	-	75.00	-	
Customer Charge 5,000-24,999 CFH	12	Bills	220.00	2,640	\$ 241.97	2,904	
Customer Charge 25,000+ CFH	60	Bills	925.00	55,500	925.00	55,500	
Distribution Charge	2,901,653	Therms	0.226977	658,608	0.241844	701,747	
Subtotal Distribution				<b>\$ 717,198</b>		<b>\$ 760,601</b>	
Compression Charge	465,801	Therms	0.613280	285,666	\$ 0.656506	305,801	
<b>Total Base Revenues</b>				<b>\$ 1,002,866</b>		<b>\$ 1,066,402</b>	<b>6.3%</b>

South Jersey Gas Company  
Base and Total Revenues at Present and Proposed Rates

Component	Amount	Units	Present Rates		Proposed Rates		
			Rate	Revenue	Rate	Revenue	Increase
<hr/>							
			<u>GLS</u>		<u>GLS</u>		
<u>Gas Lights Service</u>							
Yard Lights	48 Mantles		\$ 10.391292	\$ 5,985	\$ 11.049633	\$ 6,365	
Street Lights	36 Mantles		11.201966	4,839	11.911668	5,146	
<b>Total Base Revenues</b>				<b>\$ 10,825</b>		<b>\$ 11,510</b>	<b>6.3%</b>
<hr/>							
			<u>ITS</u>		<u>ITS</u>		
<u>ITS</u>							
Customer Charge	60 Bills		\$ 100.00	6,000	\$ 500.00	30,000	
Distribution Charge - A	- Therms		0.028400	-	0.078400	-	
Distribution Charge - B	- Therms		0.093200	-	0.143200	-	
Distribution Charge - C	- Therms		0.153200	-	0.203200	-	
<b>Total Base Revenues</b>				<b>\$ 6,000</b>		<b>\$ 30,000</b>	<b>400.0%</b>
<hr/>							
<b>TOTAL SYSTEM BASE DISTRIBUTION REVENUES</b>				<b>\$ 394,228,379</b>		<b>\$ 419,228,276</b>	<b>6.3%</b>
<hr/>							
<u>Other Revenues</u>							
Special Contracts				\$ 3,268,069		\$ 3,268,069	
Service Charges				1,306,346		1,306,346	
Rider Revenues				328,733,460		328,733,460	
<b>Total Other Revenues</b>				<b>\$ 333,297,876</b>		<b>\$ 333,297,876</b>	
<hr/>							
<b>TOTAL SYSTEM INCLUDING OTHER REVENUES</b>				<b>\$ 727,526,255</b>		<b>\$ 752,526,151</b>	<b>3.4%</b>
						Increase	\$ 24,999,897
						Target	25,000,000
						Difference	(\$103)

**TARIFF CHANGES**

In addition to rate changes, the proposed Tariff changes are as follows:

1. Revise earnings test language in the Temperature Adjustment Clause (“TAC”) Rider (Rider “F”) and Conservation Incentive Program (“CIP”) Rider (Rider “M”) to remove non-jurisdictional income from the calculation of common equity for purposes of the earnings test, consistent with the Stipulation adopted by the Board in South Jersey’s IIP Proceeding, BPU Docket No. GR20110726 as set forth herein.
2. Add earnings test language to the Infrastructure Investment Program (“IIP”) Rider (Rider “B”) that was approved by the Board in BPU Docket No. GO20110726 as set forth herein.
3. Housekeeping changes to the Interruptible Transportation Service (“ITS”) rate schedule to and Rider “I” – Balancing Service Charge (BSC) regarding the applicability of balancing requirements and charges.

**RIDER "M"**  
**CONSERVATION INCENTIVE PROGRAM**  
(Continued)

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

- (d) Recovery of any Deficiency in accordance with Paragraph (c), above, associated with non-weather related changes in customer usage will be limited to the level of BGSS savings achieved as provided for in the 2014 Order of the Board of Public Utilities in Docket No. GR13030185. The value of the weather-related changes in customer usage shall be calculated in accordance with Rider F to this tariff.
- (e) Except as limited by Paragraph (d), above, the amount to be surcharged or credited to the Customer Class Group shall equal the aggregate Deficiency or Excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the FAU for the Customer Class Group.
- (f) The currently effective CIP Factor by Customer Class Group are as follows:

	<b>Group I: RSG Non-Heating</b>	<b>Group II: RSG Heating</b>	<b>Group III: GSG</b>	<b>Group IV: GSG-LV</b>
CIP Factors Per Therm	\$0.048609	\$0.027737	\$0.026392	\$0.012009
Applicable NJ Sales Tax Factor	<u>1.066250</u>	<u>1.066250</u>	<u>1.066250</u>	<u>1.066250</u>
CIP Factors Per Therm with NJ Sales Tax	<b><u>\$0.051829</u></b>	<b><u>\$0.029575</u></b>	<b><u>\$0.028140</u></b>	<b><u>\$0.012805</u></b>

~~(g) The CIP shall not operate to cause the Company to earn in excess of its allowed rate of return on common equity of 9.60% for any twelve month period ending September 30; any revenue which is not recovered will not be deferred. For purposes of this paragraph (g), the Company's rate of return on common equity shall be calculated by dividing the Company's net income for such annual period by the Company's average 13 month common equity balance for such annual period, all data as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total net income the Company's share of margins from: (1) Interruptible Sales; (2) Interruptible Transportation; (3) On-System Capacity Release; (4) Off-System Sales and Capacity Release; (5) the Storage Incentive Mechanism; (6) the Energy Efficiency Tracker; (7) the Accelerated Infrastructure Replacement Program and (8) the Storm Hardening and Reliability Program. Cost recovery under the CIP is contingent on an earnings test. If the product of the earnings test calculation exceeds the Company's most recently approved ROE by fifty (50) basis points or more, cost recovery under the CIP shall not be allowed.~~

The Company's rate of return on common equity shall be calculated by dividing the Company's regulated jurisdictional net income for the annual period by the Company's average jurisdictional common equity balance for such annual period. The average jurisdictional common equity balance will be derived by multiplying the average of the Company's beginning and ending net rate base for the annual period by the Board-approved equity ratio in the Company's most recent rate case. The Company's regulated jurisdictional net income shall be

calculated by subtracting from total net income the Company's share of margins from: (1) Interruptible Sales; (2) Interruptible Transportation; (3) On-System Capacity Release; (4) Off-System Sales and Capacity Release; (5) the Storage Incentive Mechanism; and (6) the Energy Efficiency Tracker.



**RIDER "F"**  
**TEMPERATURE ADJUSTMENT CLAUSE (TAC)**  
(Continued)

The TAC Factor shall apply to all gas sold and transported under Rate Schedules RSG, GSG and GSG-LV.

The charge will be applied to the Rate Schedule RSG, GSG and GSG-LV Delivery Charges as follows:

**Per Therm**

TAC Factor per therm	\$0.0000
<del>Applicable Revenue Tax Factor</del>	<del>1.002736</del>
<del>TAC Factor Per Therm</del>	<del>\$0.0000</del>
Applicable NJ Sales Tax Factor	<u>1.066250</u>
TAC Factor Per Therm with NJ Sales Tax	<u>\$0.0000</u>

~~(g) The Temperature Adjustment Clause shall not operate to cause the Company to earn in excess of its allowed rate of return on common equity of 9.60% for any twelve month period ending October 31; any revenue which is not recovered will not be deferred. For purposes of this paragraph (g), the Company's rate of return on common equity shall be calculated by dividing the Company's net income for such annual period by the Company's average 13 month common equity balance for such annual period, all data as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total net income the Company's share of margins from: (1) Interruptible Sales; (2) Interruptible Transportation; (3) On-System Capacity Release; (4) Off-System Sales and Capacity Release; and (5) the Storage Incentive Mechanism. Cost recovery under the TAC is contingent on an earnings test. If the product of the earnings test calculation exceeds the Company's most recently approved ROE by fifty (50) basis points or more, cost recovery under the TAC shall not be allowed.~~

~~The Company's rate of return on common equity shall be calculated by dividing the Company's regulated jurisdictional net income for the annual period by the Company's average jurisdictional common equity balance for such annual period. The average jurisdictional common equity balance will be derived by multiplying the average of the Company's beginning and ending net rate base for the annual period by the Board-approved equity ratio in the Company's most recent rate case. The Company's regulated jurisdictional net income shall be calculated by subtracting from total net income the Company's share of margins from: (1) Interruptible Sales; (2) Interruptible Transportation; (3) On-System Capacity Release; (4) Off-System Sales and Capacity Release; (5) the Storage Incentive Mechanism; and (6) the Energy Efficiency Tracker.~~

(h) As used in this Rider "F", the following terms shall have the meanings ascribed to them herein:

(i) **"DEGREE DAYS"** is the difference between 65F and the daily mean temperature, on days when the daily mean temperature is below 65F. The daily mean temperature is the simple average of the 24 hourly temperature observations for a day taken at each of the National Oceanic and Atmospheric Administration Measuring points used by the Company. The sum of these differences for every day of the month is total degree days for that month.

**RIDER "B"**

**INFRASTRUCTURE INVESTMENT PROGRAM ("IIP")**

Applicable to all customers in classes RSG, GSG, GSG-LV, CTS, LVS, EGS, EGS-LV, NGV, YLS and SLS receiving service through the Company's distribution system. The IIP rate shall be collected on a per therm basis and shall remain in effect until changed by order of the NJBPU.

**Incremental Rate Charges per Service Class:**

		Pre Tax	Pre Tax
RSG	Residential	\$x.xxxx	\$x.xxxx
GSG	General Service	\$x.xxxx	\$x.xxxx
GSG-LV	General Service - Large Volume	\$x.xxxx	\$x.xxxx
CTS	Comprehensive Firm Transportation Service	\$x.xxxx	\$x.xxxx
LVS	Large Volume Service	\$x.xxxx	\$x.xxxx
EGS	Electric Generation Service	\$x.xxxx	\$x.xxxx
EGS-LV	Electric Generation Service - Large Volume	\$x.xxxx	\$x.xxxx
NGV	Natural Gas Vehicle Service	\$x.xxxx	\$x.xxxx
YLS	Yard Lighting Service	\$x.xxxx	\$x.xxxx
SLS	Street Lighting Service	\$x.xxxx	\$x.xxxx
Firm Special Contracts		\$x.xxxx	\$x.xxxx

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

The IIP is a (5)-year program to modernize and enhance the reliability and safety of the Company's gas distribution system by replacing its vintage, at-risk facilities which include aging coated steel and vintage plastic mains and related services, as well as the installation of excess flow valves on new service lines. The costs recovered through the IIP Rider rate are based upon the Company's after-tax weighted average cost of capital, depreciation expense, deferred income tax credits and other adjustments as determined by the Board, grossed up by the Company's revenue expansion factor and applicable taxes.

Cost recovery under the IIP is contingent on an earnings test. If the product of the earnings test calculation exceeds the Company's most recently approved ROE by fifty (50) basis points or more, cost recovery under the IIP shall not be allowed. Any disallowance resulting from the earnings test will not be charged to customers in a subsequent IIP filing period, but the Company may seek such recovery in a subsequent base rate case.

The Company's rate of return on common equity shall be calculated by dividing the Company's regulated jurisdictional net income for the annual period by the Company's average jurisdictional common equity balance for such annual period. The average jurisdictional common equity balance will be derived by multiplying the average of the Company's beginning and ending net rate base for the annual period by the Board-approved equity ratio in the Company's most recent rate case. The Company's regulated jurisdictional net income shall be calculated by subtracting from total net income the Company's share of margins from: (1) Interruptible Sales;



(2) Interruptible Transportation; (3) On-System Capacity Release; (4) Off-System Sales and Capacity Release; (5) the Storage Incentive Mechanism; and (6) the Energy Efficiency Tracker.

SOUTH JERSEY GAS COMPANY  
BPU DOCKET NO. GR 22040253  
SCHEDULE OF APPROVED ACCRUAL RATES

Account and Description	Type	Ending Balance 8/31/2022	Rate	Annual Accrual Amount
301000 - Organization	Intangible Plant	\$ 138,013	0%	\$ -
302000 - Franchise & Consents	Intangible Plant	43,395	0%	-
303000 - Miscellaneous Intangible	Intangible Plant	-	0%	-
303100 - Misc. Intangible Plant	Intangible Plant	47,212	0%	-
304100 - Land	Gas Production	151,141	0%	-
304200 - Land Rights	Gas Production	226,592	0%	-
305100 - Structures & Improvements	Gas Production	-	0%	-
311000 - Liquefied Petroleum Gas	Gas Production	-	0%	-
320400 - Miscellaneous	Gas Production	-	0%	-
350100 - Land	Gas Storage	25,586	0%	-
351000 - Structures & Improvements	Gas Storage	-	0%	-
354000 - Compressor Station Equipme	Gas Storage	-	0%	-
355000 - Measuring & Regulating	Gas Storage	-	0%	-
357000 - Other Equipment	Gas Storage	-	0%	-
360100 - Land	Gas Storage	18,975	0%	-
361000 - Structures & Improvements	Gas Storage	4,083,614	2.28%	93,106
362000 - Gas Holders	Gas Storage	4,230,429	1.12%	47,381
363100 - Liquefaction Equipment	Gas Storage	35,024,195	2.62%	917,634
363200 - Vaporizing Equipment	Gas Storage	7,547,562	2.62%	197,746
363300 - Compressor Equipment	Gas Storage	963,564	2.62%	25,245
363400 - Measuring & Regulating	Gas Storage	140,511	2.62%	3,681
363500 - Other Equipment	Gas Storage	13,511,292	2.62%	353,996
365110 - Land	Gas Transmission	1,174,694	0%	-
365120 - Land Rights	Gas Transmission	2,866,528	0%	-
365200 - Rights of Way	Gas Transmission	4,402,053	0%	-
366100 - Compressor Station Structu	Gas Transmission	34,473	2.00%	689
366200 - Meas & Reg Station Structu	Gas Transmission	6,726,593	2.00%	134,532
366400 - Prod & Transm Operations	Gas Transmission	2,762,575	2.00%	55,251
367100 - Mains	Gas Transmission	267,120,489	1.13%	3,018,462
367200 - Mains-Special Crossing	Gas Transmission	1,786,444	1.13%	20,187
367300 - Mains-Manholes	Gas Transmission	9,248	1.13%	105
368000 - Compressor Station Equipme	Gas Transmission	62,962,880	2.91%	1,832,220
369000 - Meas & Reg Station Equipme	Gas Transmission	65,568,910	1.69%	1,108,115
370000 - Communication Equipment	Gas Transmission	368,715	6.78%	24,999
371000 - Other Equipment	Gas Transmission	184,096	1.41%	2,596
374100 - Land	Gas Distribution	519,086	0%	-
374200 - Land Rights	Gas Distribution	481,639	0%	-
375000 - Structures & Improvements	Gas Distribution	44,752,310	3.55%	1,588,707
376100 - Mains-Distribution	Gas Distribution	1,517,093,962	1.50%	22,756,409
376200 - Mains-Special Crossings	Gas Distribution	3,188,681	1.50%	47,830
377000 - Compressor Station Equipme	Gas Distribution	-	0%	-
378100 - District Governors-Regulat	Gas Distribution	2,100,968	2.92%	61,348
378200 - Dist Gov-Pressure Reg Gaug	Gas Distribution	84,242	2.92%	2,460
378300 - Dist Gov-Governor Piping	Gas Distribution	1,519,609	2.92%	44,373
378400 - Dist Gov-Manholes	Gas Distribution	355,117	2.92%	10,369
378500 - Safety Seal Equipment Dis	Gas Distribution	181,138	2.92%	5,289
378600 - Auto Meter Read Equipment	Gas Distribution	252,361	2.92%	7,369
378900 - Dist Gov-Cape	Gas Distribution	381,100	2.92%	11,128
379000 - Meas & Reg Station Equipme	Gas Distribution	5,189,390	1.95%	101,193
380200 - Services-Curb to House	Gas Distribution	1,033,782,684	2.26%	23,363,489
380400 - Services-Yard Lighting	Gas Distribution	414	2.26%	9
380410 - Serv-Yd Lighting Res	Gas Distribution	260,025	2.26%	5,877
380420 - Serv-Yd Lighting Res	Gas Distribution	203,478	2.26%	4,599
380500 - Services-Gas Grills	Gas Distribution	277,610	2.26%	6,274
381100 - Meters	Gas Distribution	76,584,058	4.64%	3,553,500
381200 - Remote Meter Reading Devic	Gas Distribution	718,603	4.64%	33,343
382100 - Meter Installation	Gas Distribution	46,872,893	3.26%	1,528,056
382200 - Remote Meter Read Devices	Gas Distribution	450,124	3.26%	14,674
383000 - House Regulators	Gas Distribution	13,426,926	2.23%	299,420
384000 - House Regulator Installati	Gas Distribution	77,988,727	2.23%	1,739,149
385000 - Indust Meas & Reg Station	Gas Distribution	16,420,366	2.39%	392,447
387000 - Other Equipment	Gas Distribution	35,393	3.88%	1,373
387100 - Other Equip- Street Lighti	Gas Distribution	83,974	3.88%	3,258
387200 - Other Equip- Street Lighti	Gas Distribution	36,216	3.88%	1,405
389100 - Land	General Plant	3,100,131	0%	-

SOUTH JERSEY GAS COMPANY  
BPU DOCKET NO. GR 22040253  
SCHEDULE OF APPROVED ACCRUAL RATES

Account and Description	Type	Ending Balance 8/31/2022	Rate	Annual Accrual Amount
390000 - Structures & Improvements	General Plant	83,843,385	2.08%	1,743,942
391000 - Office Furniture & Equipme	General Plant	1,102	5.00%	55
391050 - OFFICE FURNITURE & EQUIP -	General Plant	2,617,536	5.00%	130,877
391051 - Office Furniture and Equip	General Plant	3,676,285	5.00%	183,814
391100 - EDP Equipment- Prior to	General Plant	670	20%	134
391200 - EDP Equipment-Post 2/85	General Plant	-	0%	-
391250 - EDP EQUIPMENT- POST 12/04	General Plant	-	0%	-
391300 - Personal Computers-Post	General Plant	-	0%	-
391350 - PERSONAL COMPUTERS - POST	General Plant	434,949	20.00%	86,990
391356 - SYSTEM IMPLEMENTATION	General Plant	135,030,414	16.06%	21,685,884
391357 - Comp Individual Depr	General Plant	-	0%	-
391358 - Computer Equipment	General Plant	19,529,802	20.00%	3,905,960
391359 - PC, Laptop, Toughbook Equip	General Plant	1,642,786	25.00%	410,697
391362 - Network/Server Software	General Plant	228,874	16.67%	38,153
391370 - Computer Equip-ADS	General Plant	-	0%	-
392000 - Transportation Equipment	General Plant	27,566,104	12.99%	3,580,837
392100 - Van Pool Equipment	General Plant	-	0%	-
393000 - Stores Equipment	General Plant	6,203	4.00%	248
394000 - Tools Shop & Garage Equipm	General Plant	85,896	6.67%	5,729
394050 - TOOLS SHOP & GARAGE EQUIP	General Plant	2,344,364	6.67%	156,369
394051 - TOOLS SHOP & GARAGE EQUIP	General Plant	2,544,105	6.67%	169,692
394070 - Tools & Equip-Service	General Plant	-	0%	-
394100 - Tools Shop & Garage Equipm	General Plant	-	0%	-
395000 - Laboratory Equipment	General Plant	-	0%	-
395050 - LABORATORY EQUIP - POST 12	General Plant	-	0%	-
396000 - Power Operated Equipment	General Plant	2,454,255	12.22%	299,910
397000 - Communication Equipment	General Plant	-	0%	-
397050 - COMMUNICATION EQUIP - POST	General Plant	2,835,621	6.67%	189,136
397070 - Communication Equipment-AD	General Plant	-	0%	-
398000 - Miscellaneous Equipment	General Plant	1,590	5.00%	80
398050 - Misc Equip - Post 12/04	General Plant	65,322	5.00%	3,266
398100 - Misc Equip Assc w/Lease	General Plant	-	0%	-
397051 - Communication Equipment	General Plant	541,119	6.67%	36,093
<b>Total without Net Salvage</b>		<b>\$ 3,613,911,390</b>	<b>2.66%</b>	<b>\$ 96,047,161</b>
<b>5 Year Net Salvage Average Annual Accrual</b>				<b>7,290,342</b>
<b>Total with Net Salvage Annual Accrual</b>		<b>\$ 3,613,911,390</b>	<b>2.86%</b>	<b>\$ 103,337,503</b>
<b>Composite Rate with Net Salvage per Plant Balance at 8-31-22</b>			<b>2.86%</b>	

**CUSTOMER SERVICE STANDARDS**

South Jersey Gas Company (“SJG” or “Company”) will provide to Rate Counsel and BPU Staff a quarterly report providing the results of the Company’s performance in relation to the following metrics:

**1. Call Center**

**(A) Average Speed of Answer (ASA)**

**Measure:** ASA

**Benchmark:** Track and monitor only.

**Frequency:** Measured monthly, reported quarterly.

**Definition:** Measured in seconds from time when a customer indicates the desire to speak to a representative to when the representative picks up the phone.

**(B) Percentage of Calls Answered within 30 seconds**

**Measure:** Service Level

**Benchmark:** 80% of calls answered within 30 seconds through Q3 2023  
82% of calls answered within 30 seconds thereafter

**Frequency:** Measured monthly, reported quarterly.

**Definition:** Measured in seconds from time when a customer indicates the desire to speak to a representative to when the representative picks up the phone. Includes abandoned calls and any calls handled through an Interactive Voice Response (“IVR”) system.

**(C) Abandoned Call Percentage (ACP)**

**Measure:** ACP

**Benchmark:** 5% or less of calls abandoned

**Frequency:** Measured monthly, reported quarterly.

**Definition:** The number of calls to the IVR system that are terminated by the caller before reaching the selected destination, whether a department or a representative.

**(D) Call Center Strike Reporting**

**Measure:** N/A

**Benchmark:** N/A

**Frequency:** See below

**Definition:** The Company will report if and when a call center strike occurs to Board Staff and Rate Counsel in a timely manner. During any such strike, the Company will provide Board Staff and Rate Counsel with periodic updates on the impact of the strike on customer service, including on the Company's ability to enroll customers in DPAs and financial assistance programs.

**2. Meter Reading and Billing**

**(A) Meter Reading**

**Measure:** Percentage of meters read

**Benchmark:** 95% of meters read

**Frequency:** Measured monthly, reported quarterly

**Definition:** The percentage of meters actually read on cycle

**(B) Meter Reading by Town**

**Measure:** Percentage of all meters read listed by each town within the Company's territory

**Benchmark:** Track and monitor only

**Frequency:** Measured and reported annually.

**Definition:** The percentage of meters read on cycle within each town of the Company's territory.

**(C) Billing**

**Measure:** Billing Accuracy

**Benchmark:** 20 or fewer rebills per 1,000 customers

**Frequency:** Measured monthly, reported quarterly

**Definition:** The number of rebills per 1,000 customers measured as all bills mailed to customers that are later adjusted, cancelled or re-issued for any amount or reason.

**3. Safety and Reliability**

**(A) Safety**

**Measure:** Leak Response Time

**Benchmark:** 95% of calls responded to within 60 minutes

**Frequency:** Measured monthly, reported quarterly

**Definition:** Leak, odor and emergency call response measured from the initial customer call to the time qualified personnel arrive at the location to either assess or implement a "make safe" condition.

**Exception reporting:**

\* Provide a quarterly report to the BPU for all calls that are not responded to within 60 minutes, giving the reasons for the delay.

**(B) Reliability**

**Measure:** Percentage of service appointments met

**Benchmark:** 95% + of service appointments met

**Frequency:** Measured monthly, reported quarterly

**Definition:** The percentage of appointments completed within the scheduled four-hour window, as required by Board rules. Includes appointments for meter installations, disconnects and reconnects, billing investigations, initial and final meter reads. Excludes regularly scheduled meter reads, gas leaks/emergencies/outages, and appointments missed by the customer.

**4. Overall Customer Service and Satisfaction**

**(A) BPU Complaints**

**Measure:** Customer complaints/contacts to the BPU

**Benchmark:** Less than 1 complaint/contact per 1,000 customers annually

**Frequency:** Measured monthly, reported quarterly

**Definition:** The number of verbal or written complaints/contacts made to the BPU, not including complaints to the Company, which are measured as an annual average number of complaints per 1,000 customers. The Company also shall report BPU complaints by root cause category, such as billing, collection, etc.

The Company will also report how many:

- Complaints are resolved by deferred payment arrangements;

- Complaints that originate with customers who are already on deferred payment arrangements; and
- Complaints from customers who participate in assistance programs such as LIHEAP (the Low Income Home energy Assistance Program) or otherwise.

**(B) Customer Satisfaction with Telephone and Field Personnel**

**Measure:** Customer satisfaction with telephone and field personnel

**Benchmark:** N/A

**Frequency:** Quarterly

**Definition:** Quarterly survey of customers that have contacted the Company and spoken with a representative.

**5. Disconnections, Financial Assistance, and Deferred Payment Arrangements (DPAs)**

**(A) Disconnections for Nonpayment**

**Measure:** Number of disconnections related to non-payment

**Benchmark:** N/A

**Frequency:** Measured and reported annually

**Definition:** The number of disconnections related to non-payment broken out by residential, commercial and industrial classes, as well as the number of customers that would have been disconnected for nonpayment if it were not for any moratorium that may be in effect.

**(B) Financial Assistance Enrollment**

**Measure:** Financial Assistance Enrollment



**Benchmark:** N/A

**Frequency:** Measured monthly, reported quarterly and annually on a fiscal year basis.

**Definition:** The number of customers enrolled in LIHEAP, NJ SHARES, USF, Fresh Start, Lifeline, True Grant and Page Grant. (See Attachment RCR-CUS-21.1 in BPU Docket No. GR21121254)

**Definition:** The Company will provide monthly data, as well as an annual summary, of the enrollments of the Company's customers in financial assistance programs in the format provided in Attachment RCR-CUS-21.1 in BPU Docket No. GR21121254. The Company will also provide annual data regarding the number of enrollments in financial assistance programs by municipality in the format provided in Attachment RCR-CUS-21.2 in BPU Docket No. GR21121254.

**(C) Financial Assistance Enrollment by Municipality**

**Measure:** Financial Assistance Enrollment by Municipality

**Benchmark:** N/A

**Frequency:** Measured and reported annually.

**Definition:** The number of customers enrolled in USF, LIHEAP, Lifeline, Page and NJ SHARES by municipality. (Attachment RCR-CUS-21.2 in BPU Docket No. GR21121254).

**(D) Deferred Payment Arrangement Counts**

**Measure:** DPA counts

**Benchmark:** N/A

**Frequency:** Measured monthly, reported quarterly

**Definition:** The number of deferred payments arrangements set up further broken out by defaulted and active or completed as well as the percentage of active or completed and defaulted of the total.  
(Attachment RCR-CUS-12.2 in BPU Docket No. GR21121254)

**(E) Deferred Payment Arrangements by Length**

**Measure:** Deferred Payment Arrangements by length

**Benchmark:** N/A

**Frequency:** Reported quarterly for the most current month available.

**Definition:** The number of deferred payment arrangements by month.  
(Attachment RCR-CUS-15.1 in BPU Docket No. GR21121254)

**(F) Deferred Payment Arrangements by Amount**

**Measure:** Deferred Payment Arrangements by amount

**Benchmark:** N/A

**Frequency:** Reported quarterly for the most current month available.

**Definition:** The number of deferred payment arrangements by amount in arrears, detailing how many arrangements fall in each range and the total amount of arrears associated with the specific dollar range. (RCR-CUS-16 in BPU Docket No. GR21121254)

**(G) Deferred Payment Arrangement Details**

**Measure:** Deferred Payment Arrangement Details

**Benchmark:** N/A

**Frequency:** Measured and reported annually

**Definition:** The following metrics will be provided:

- Newly established Deferred Payment Arrangements
- Average Down Payment (in Dollars)
- Average Term (in Months)
- Average dollars amount of arrears made subject to a DPA
- Average Monthly Installment of DPAs
- Number of Defaulted DPAs
- Number of Complete (or "successful") DPAs
- Average amount written off for each defaulted DPA
- Total amount written off by SJG for Defaulted DPAs

(Attachment RCR-CUS-12.1 in BPU Docket No. GR21121254)

**(H) Residential Arrearage Data**

**Measure:** Residential Arrearage Details

**Benchmark:** N/A

**Frequency:** Quarterly

**Definition:** "In Arrears" refers to past due balances that are 31+ days overdue.

The following metrics for residential customers will be provided quarterly:

- Number of residential customers in arrears;
- Number of residential customers eligible for disconnection;
- Number of residential customers in arrears and receiving assistance;

- Number of residential customers assessed a reconnection fee;  
and
- Number of residential customers for whom the Company has  
waived a reconnection fee.

After receipt of the quarterly report and/or annual report where specified herein, Board Staff or Rate Counsel may request a meeting and the Company agrees to accommodate this request to discuss the contents of the report(s). The schedule for submitting the quarterly and annual reports will remain the same. The quarterly report will be filed within thirty days after the end of each quarter. The annual report will be filed within thirty days after the end of each fiscal year.

**Appendix E**

**SOUTH JERSEY GAS COMPANY:**

**CUSTOMER SERVICE IMPROVEMENT PLAN (CALL CENTER METRICS):  
INITIAL PLAN AND QUARTERLY UPDATES**

The initial Call Center Customer Service Improvement Plan (CCCSIP), and the subsequent quarterly updates to the CCCSIP should include, at a minimum:

**NARRATIVE SUMMARY WITH DATA PROVIDED IN EXCEL-COMPATIBLE FORMAT**

- A. Detailed description of plans for improving call center metrics: (1) 80 percent answered within 30 seconds; 82 percent answered within 30 seconds (beginning 4Q 2023); and (2) abandoned calls.
  - a. Copies of any and all contracts with outside vendors should be provided as part of the CCCSIP. If and when modified, revised contracts should be provided.
  - b. A brief summary of the contract with any and all outside vendors:
    - i. Date covered by contract;
    - ii. Penalties or financial incentives, if any, for vendor's performance; and
    - iii. Percentages of calls answered by SJG employees and by vendors.
- B. Significant changes in customer service:
  - a. Implemented in last quarter: [insert narrative summary]
  - b. Planned for next quarter: [insert narrative summary]
- C. Likelihood of strike and impact on customers
  - a. Status of possible strike
  - b. If and when a call center strike occurs, update on the impact of the strike on customer service, including on the Company's ability to enroll customers in DPAs and financial assistance programs.
- D. Customer Service metrics – report the Company's performance relative to the following three metrics; show each month's performance, with year-to-date average; include three prior year's annual averages:
  - a. 80 percent answered within 30 seconds (82 percent answered within 30 seconds beginning 4Q 2023);
  - b. Percent of calls abandoned; and
  - c. Average Speed of Answer.
- E. Tally of reasons that customers contact the call center and numbers of calls from customers lacking English proficiency
  - a. Retain log and report log in CCCSIP showing the distribution of calls handled by category (see, e.g., SJG response to RCR-CUS-134), and in the narrative explain:
    - i. Whether the categories overlap (i.e., could an individual call be placed into more than one category?). If so please explain, and in the explanation, indicate which categories overlap.
    - ii. To the extent not shown as part of part (i), include the monthly and quarterly totals of the numbers of calls relating to

1. Requests for DPAs
2. Concerns about disconnection for non-payment
3. Energy assistance programs
- iii. A complete description of each of the categories used in the tallies.
- iv. Monthly and quarterly totals of calls *not handled* by the call center.
- v. Indicate whether abandoned calls are the same as calls not handled by the call center.
- b. Tally of calls from (1) customers with English proficiency; and (2) customers lacking English proficiency.
- F. Percent of calls handled entirely by an integrated voice recognition system.
- G. Numbers of call center employees (management separately from non-management)
- H. Numbers of unfilled call center positions (management separately from non-management)

Note: All data should be provided in Excel-compatible format and should include the preceding 12 months of data as well as the current quarter's performance.