



Agenda Date: 10/29/2018
Agenda Item: 2G

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

DIVISION OF ENERGY AND
DIVISION OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY FOR APPROVAL TO) ORDER ADOPTING
CONTINUE ITS ENERGY EFFICIENCY PROGRAMS) STIPULATION
("EEP IV") AND ENERGY EFFICIENCY TRACKER)
PURSUANT TO N.J.S.A. 48:3-98.1) DOCKET NO. GO18030350

Parties of Record:

Stacy A. Mitchell, Esq., South Jersey Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On March 29, 2018, South Jersey Gas Company ("SJG" or "Company") filed a petition ("2018 EEP IV Petition") with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting approval of the extension of its energy efficiency programs ("EEPs"), with certain modifications and new names, as well as several new programs. By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by SJG, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Signatory Parties") that resolves all issues in this matter.

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law based on the New Jersey Legislature's findings that energy efficiency and conservation measures must be essential elements of the State's energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize efficiencies.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1(a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the Board, including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing

appropriate technology and program cost investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board. An electric or gas public utility seeking cost recovery for any energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

By Order dated July 24, 2009, the Board authorized SJG to implement five (5) EEPs: 1) Enhanced Residential Heating, Ventilation, and Air Conditioning ("HVAC") Rebate; 2) Residential Home Performance Finance; 3) Combined Heat and Power ("CHP"); 4) Commercial Customer Direct Install Financing; and 5) Non-Residential Energy Efficiency Investment ("Original Programs") ("July 24 Order").¹ The programs were designed to complement or supplement existing New Jersey Clean Energy Program ("NJCEP") offerings. The Original Programs were to be available to eligible customers for approximately twenty-one (21) months. The July 24 Order also authorized SJG to establish an Energy Efficiency Tracker ("EET") to recover all prudently incurred costs associated with the Original Programs.

By Order dated January 19, 2011, the Board authorized SJG to extend the Original Programs and carry over individual program under-spending of the Original Programs through December 31, 2011 ("January 2011 Order").² The January 2011 Order also allowed SJG's monthly program investment and operating and maintenance ("O&M") costs associated with the Original Programs to continue until April 30, 2012. In addition, the January 2011 Order authorized the Company to reallocate money within the Original Programs.

By Order dated June 21, 2013, the Board authorized SJG to continue to offer four (4) EEPs through June 30, 2015 with an approved budget of \$24 million: (1) the Residential Home Performance and Finance Energy Efficiency Program; (2) the Non-Residential Energy Efficiency Investment Program, (3) the Enhanced Residential HVAC Rebate Program, and (4) the Commercial Customer Direct Install Financing Program ("Existing EEPs") ("June 2013 Order").³ The June 2013 Order also authorized SJG to continue its EET as the mechanism to recover all prudently incurred costs associated with the EEPs and to continue earning a return on its investments.

By Order dated August 19, 2015, the Board authorized SJG to continue its Existing EEPs through August 2017 with an authorized budget of \$36.3 million ("August 2015 Order"). The August 2015 Order also authorized SJG to implement the Social Marketing and Education Program ("OPOWER"), as well as continue its EET to recover all prudently incurred costs associated with the EEPs. On January 25, 2017, the Board approved an extended term of the EEPs approved in the August 2015 Order until December 31, 2018, with no additional funding.

¹ In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1; and to Modify Rate Schedule EGS-LV, BPU Docket Nos. EO09010056 and GO09010059 (July 24, 2009).

² In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program with an Associated Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10110861 (January 19, 2011).

³ In re the petition of South Jersey Gas Company for Approval of an Energy Efficiency program with an Associated Energy Efficiency Tracker Pursuant to N.J.S.A 48:3-98.1, BPU Docket No. GO12050363 (June 21, 2013).

March 2018 Petition

On March 29, 2018, SJG filed the 2018 EEP IV Petition. In the filing, the Company sought approval to continue its existing EEPs with certain modifications and with new names. In addition, the Company requested approval of six (6) new programs. SJG proposed to implement the new and existing programs over a five (5) year period commencing upon issuance of a Board Order with a total budget of approximately \$195 million, including O&M expenses. The Company proposed to recover the costs associated with the EEPs through the EET set forth in Rider N of the Company's tariff.

By Order dated April 25, 2018, the Board retained this matter for review and hearing, and as authorized by N.J.S.A. 48:2-32, designated Commissioner Dianne Solomon as the presiding Commissioner with authority to rule on all motions that arise during the proceeding, and establish and modify any schedule that may be set as necessary to secure a just and expeditious determination of the issues. The Board also delegated to Commissioner Solomon the authority to grant a single extension of the review period, if requested by the Company and agreed to by the remaining parties. The Order also set May 27, 2018 as the last day for the filing of motions to intervene or participate in this matter.

On April 27, 2018, Staff notified SJG that with the supplemental information the 2018 Petition was administratively complete. Accordingly, the review period commenced on March 29, 2018.

On May 25, 2018, Public Service Electric & Gas Company ("PSE&G") filed a Motion to Intervene. By letter dated June 27, 2018, Rate Counsel filed a statement of no position on the motion. By letter dated July 6, 2018, the Company filed a no-objection letter on the motion.

After notice, two (2) public hearings were held in this matter on August 20, 2018 in Voorhees, New Jersey. No members of the public appeared and no written comments were received.

By Order ("Prehearing Order") dated September 25, 2018, Commissioner Solomon issued a Prehearing Order in this matter. The Prehearing Order approved a stipulation among the parties that extended the 180 day review period until November 25, 2018, as well as a procedural schedule in this matter. The Prehearing Order also denied PSE&G's motion to intervene but, in the alternative, granted PSE&G participant status.

STIPULATION

The Parties have conducted several rounds of discovery and have met several times to discuss the issues in the filing. On October 11, 2018, the Parties executed the Stipulation. The Stipulation provides for the following:⁴

17. The Parties agree that the EEP IV shall be a three (3) year program, commencing upon Board approval and ending December 31, 2021, subject to the Signatory Parties' re-assessment after the second year of the three (3) year term, as discussed in more detail in the Stipulation.

⁴ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in this Order. Each paragraph is numbered to coincide with the paragraphs of the Stipulation.

18. The Parties agree that SJG may continue its existing EEPs, with modifications, and implement several new programs, as described below. Detailed EEP descriptions are also attached to the Stipulation as Exhibit A (Program Descriptions).
- **NJCEP Residential Loans/Rebates Program:** This program consists of residential financing and rebate options provided to SJG customers participating in the NJCEP Home Performance and HVAC programs. With its Home Performance incentives, SJG will offer loans up to \$10,000 at 0% interest with a repayment term of seven (7) years, or loans up to \$15,000 at 4.99% interest with a repayment term of ten (10) years, to assist customers in obtaining whole house energy efficiency, comfort, and savings. With its HVAC incentive, SJG will offer financing up to \$11,000 with a repayment term of seven (7) years, or a \$600 rebate, to assist customers in installing high efficiency HVAC equipment, energy conservation devices, and/or health and safety measures.
 - **NJCEP Commercial Loans Program:** This program consists of commercial financing options provided to SJG customers participating in the NJCEP Non-Residential and Commercial Direct Install programs, and/or if the customer is served under a SJG non-residential rate structure. With its non-residential financing incentive, SJG will offer financing up to \$130,000 at 0% interest with a repayment term of ten years. With its direct install incentive, SJG will continue to offer zero percent (0%), no money down financing, with a five (5) year term. This loan product will be designed to enable qualifying customers to take advantage of that program, such that the participant can receive a NJCEP incentive valued at up to seventy percent (70%) of the retrofit costs. The SJG loan offering is in response to the changes of the Direct Install Program approved by the Board on June 22, 2018, Docket No. QO18040393.
 - **Residential Behavior Program:** This program will provide customers with easy-to-understand information regarding energy use, peer usage, and suggested action steps to generate awareness and motivate customers to produce energy savings through behavioral changes and engagement with other EEPs. Tools include direct mail and/or electronic home energy reports, and a web based customer portal.
 - **Residential Efficient Products Program:** This program will promote low and moderately priced energy efficiency products by offering a broad range of energy efficiency measures through a variety of channels, including an online marketplace, potential retail in-store rebates, and a network of trade allies. The program will encourage customers to invest in smart thermostats, water saving measures, and weatherization items. Additionally, installation services will be offered as a component of the program for the smart thermostats.
 - **Residential Home Assessment with Direct Install Program:** This program will provide customers with an assessment to explore and invest in the improved comfort and energy efficiency of their home. The assessment

will cost customers \$49.00 and include installation of low-cost measures (i.e., LED lighting, low-flow water devices, smart electric strips), as well as behavioral suggestions to improve efficiency. Participants will receive an energy efficiency action plan that summarizes the findings of the audit and recommends technology and building performance improvements that will maximize the efficiency of the home.

- Residential Retrofit Weatherization Program: This program will provide free weatherization services and energy education to residential customers who do not qualify for the State's Comfort Partner Low Income Program, i.e., those whose household income is between 226% and 400% of the annual Federal Poverty Income level.
- C&I Engineered Solutions Program: This program will provide tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals, and non-profit entities. This program is designed to provide specialized services through a contracted engineering firm to assist customers in identifying and understanding large energy efficiency projects on site, while requiring no up-front funding from the customer.

A. PROGRAM INVESTMENTS

19. The Signatory Parties agree that the total EEP IV Program budget shall be \$81.3 million, comprised of a total program investment budget of \$72.1 million and a total O&M expense budget of \$9.2 million, as shown in Exhibit B (Summary Budget) attached to the Stipulation. The Signatory Parties agree that the budgeted O&M amount represents a cap and all costs remain subject to review for prudence in the annual cost recovery filings.
20. The EEP IV investments and O&M expenses are summarized in the cost allocation table below:

EEP IV Stipulated Program Budget	
(\$ Millions)	
<u>Program Investment</u>	
Residential Programs	\$63.8
Commercial Programs	<u>\$8.3</u>
Total Program Investment	\$72.1
<u>Operations and Maintenance</u>	
Administration, Marketing & Sales, Training, Inspections & Quality Control, and Evaluation	<u>\$9.2</u>
Total Investment and O&M	<u>\$81.3</u>

21. The Signatory Parties agree that SJG is permitted to shift funds between the approved sub-program components and O&M expense, subject to actual participation levels and overall budget considerations. The Company agrees to provide written notice to Board Staff and Rate Counsel for any proposed changes

between sub-program funding levels or any change resulting from Board approved changes to NJCEP programs, including a description of the proposed budget re-allocation with supporting schedules.

22. Furthermore, if approved EE program funds are not fully expended or committed by December 31, 2021, SJG will transfer those amounts to the proposed program work in future years or to other BPU-approved SJG energy efficiency programs as directed by the Board.
23. Work related to any specific EEP IV offer or application that has been initiated prior to the end date of December 31, 2021 may continue for close-out and completion purposes within the budget levels agreed to in the Stipulation.
24. The Signatory Parties further agree that, should there be a prospective change to a NJCEP program for which SJG has a corresponding program, the Company will modify its corresponding program to be consistent with the NJCEP program. The Company agrees to implement any such modified offering within sixty (60) days of the BPU Order approving the modification to the NJCEP program or by a date as determined by the BPU. The Company will notify the Signatory Parties that a longer transition time is necessary to perform the required implementation activities by the Company or to better align with NJCEP implementation dates as determined by the BPU, and explain the reasoning and need for the longer timeframe.

B. ASSESSMENT

25. To effectuate any future modifications to the energy efficiency market, SJG will, no later than January 31, 2021, file a comprehensive assessment of this Program with the Board and Rate Counsel. This assessment will include, but not be limited to, the following items:
 1. Cost Benefit Analyses ("CBAs") reflective of actual costs and customer participation. The CBAs shall be calculated in accordance with prevailing approved NJCEP protocols at the subprogram level and will include:
 - a. CBA ratios for the following tests:
 - Participant Cost Test
 - Program Administrator Cost Test
 - Ratepayer Impact Measure Test
 - Total Resource Cost Test
 - Societal Cost Test
 - b. Energy savings by fuel type
 - c. Monetary savings
 - d. Environmental savings
 2. Summary CBAs will also be provided at the program and portfolio level;
 3. The number of participants by sub program;
 4. The budgeted dollars per sub program;

5. The actual dollars spent through November 30, 2020 by type of expenditure:
 - a. Program expenditures
 - b. Administrative costs
 6. The actual dollars committed through November 30, 2020;
 7. Recap of recent policy determinations or NJCEP program changes that are relevant by sub program;
 8. Summary of insights and barriers identified to date for the sub-programs;
 9. Summary of relevant insights regarding the potential for joint/aligned utility efforts by sub program, including potential timing for advancements in this area; and
 10. Description of how the program delivery and administrative mechanisms of those programs that are subsequently determined to be more appropriately delivered by NJCEP will be transitioned from SJG to NJCEP management.
26. SJG will hold a meeting no later than March 31, 2021 among the Signatory Parties to review this assessment. Based on this discussion, the Parties may schedule additional meetings to discuss potential prospective determinations on the structure of the SJG EEP IV Program.
- These determinations may include:
1. No action deemed necessary, i.e., Program continues as approved for the remainder of the three (3) year term established by the stipulation;
 2. Modifications to existing sub-programs to comply with recently approved State legislation L. 2018, c. 21, changes in the NJCEP, or policy decisions made by the Board since the date of Board approval of this stipulation, or based on program results. These modifications could include processes for some sub-programs to be replaced by successor programs approved through the assessment processes; or
 3. Designating some or all of the programs to be reduced and/or terminated, depending on the implementation of the legislative requirements, changes in the NJCEP, or policy decisions made by the Board since the date of Board approval of the stipulation, the Board's strategic planning process, or program results.
27. In addition, SJG commits to share market insights from all SJG EEP IV programs with the BPU, Rate Counsel, and, as appropriate, other stakeholders as the State begins to address the legislative mandates for energy efficiency and renewable energy or as otherwise deemed appropriate by the BPU.

28. In addition, the Signatory Parties shall meet on a quarterly basis, at a minimum, to evaluate the status of the State's plan and the impact on the Company's approved programs.

C. COST RECOVERY

29. The Signatory Parties agree that EEP cost recovery will continue through a separate component of the EET cost recovery mechanism and operate as previously approved by the Board in its July 2009 Order, its June 2013 Order, and its August 2015 Order. EET cost recovery will consist of two parts and be affected through a deferred accounting mechanism. One part will recover the amortization of the capital investments made in participating customer rebates and incentive payments, and the costs of providing customer financing, as well as a return on the unamortized portion of program investments. In addition to a reduction for the accumulated amortization of its program investments, the Company will deduct the applicable deferred income taxes related to the amortization of program costs. The second part of the EET will recover incremental O&M expenses associated with the EE programs.
30. The Signatory Parties agree that the capital investments will be amortized over a seven (7) year period on a straight-line basis.
31. The Signatory Parties agree that the return on the unamortized portion of the Program investment be set equal to the WACC of 6.80% (8.77% on a pre-tax basis), as shown in the capital structure below:

	<u>Ratios</u>	<u>Cost Rates</u>	<u>Weighted Cost Rates</u>	<u>Pre-Tax Weighted Cost Rate</u>
Long Term Debt	47.50%	3.70%	1.76%	1.76%
Common Equity	<u>52.50%</u>	9.60%	<u>5.04%</u>	<u>7.01%</u>
Total Cost of Capital	100%		6.80%	8.77%

32. The Signatory Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations and captured in the next scheduled annual true-up. The Signatory Parties further agree that any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over- and under-recoveries until the date of the next scheduled annual true up, but in any event no later than October 1 of the subsequent year.
33. The initial revenue requirement and associated EET rate will commence on November 1, 2018, or as specified by the Board, and be based on projected EEP expenditures. The projected annual revenue requirement calculations for the EEPs are attached to the Stipulation as Exhibit C (Annual Revenue Requirements).

34. The monthly over-and-under recoveries calculation will be based on actual EET revenues billed monthly under the EET mechanism applied against the monthly EET revenue requirement. The monthly over-and-under recovery calculation will follow the methodology illustrated in the projected calculation, described in the Stipulation and attached to the Stipulation as Exhibit D (Year 1 Recovery & Interest Schedule). The interest calculation shall be based on the average of the net of tax beginning and ending monthly balance.

D. RATES

35. The Parties agree that the initial EET rate associated with EEP IV shall be \$0.008117 per therm, including taxes. This represents an increase of \$0.008117 per therm to the current EET rate of 0.009144 per therm, for a total combined EET rate of \$0.017261 per therm, including taxes, effective November 1, 2018, or as specified by the Board. Proposed tariff pages reflecting this EET rate are attached to the Stipulation, in blacklined form, as Exhibit E (Tariff Pages).
36. The EET rate set forth in the Stipulation results in an increase of approximately \$0.81 or 0.6% per month to the average residential heating customer using 100 therms of gas during a winter month.

E. ANNUAL FILING

37. The Signatory Parties agree that the Company will file an annual petition ("Annual Filing") in June each year to adjust the EET rate, with a proposed effective date of October 1. Each Annual Filing will contain a reconciliation of its projected EET costs, projected recoveries, and actual revenue requirements for the relevant period, including a break out of expenses, investments, and unamortized investments, in addition to the items set forth in the minimum filing requirements ("MFRs") shown in Exhibit F attached to the Stipulation. The EET rate will be subject to full and complete examination in the context of the Annual Filing. The EET will be subject to adjustment and true-up through the deferral process, and any required adjustment will be included in the over/under recovered balance.
38. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based on the Company's monthly average short-term debt rate obtained on its commercial paper and/or bank credit lines. The interest amount charged or credited to the EET shall be based on the net average monthly balance, consistent with the methodology set forth in Exhibit D attached to the Stipulation. The Company shall accrue simple interest with an annual roll-in at the end of each 12-month period. The interest rate shall not exceed the WACC identified in paragraph 31 of the Stipulation.

F. REPORTING REQUIREMENTS

39. The Company will continue to submit data regarding energy efficiency programs and expenses in accordance with the format and timing dictated by the NJCEP Program Administrator. The Company will submit each Monthly Activity Report within thirty (30) days of the end of the calendar month covered by the report or consistent with the timing set by NJCEP's Program Administrator.

DISCUSSION AND FINDINGS

During the pendency of this filing, two significant policy shifts occurred. The Governor ordered the Board and several executive branch agencies to begin work on a new Energy Master Plan ("EMP") that would contain several significant changes to former State energy policy as identified in the 2011 New Jersey EMP and 2015 Update to that EMP. Additionally, L. 2018 c. 17 ("Clean Energy Act") was signed into law. The Clean Energy Act contains several provisions addressing energy efficiency, including provisions specific to the role of energy utilities. The Board has and will continue to maintain a central role in the implementation of these changes to existing law and policy; its energy and clean energy policies will be profoundly impacted. In light of these recent changes, a cautious and incremental approach to the introduction of new utility-run programs best supports the transitions under way.

The Stipulation provides for continuing several successful EE programs. The Parties have also agreed to implement several carefully selected new programs for a two (2) year period, with a third year contingent on review and analysis of an assessment to be submitted by SJG no later than January 31, 2021.

As the above discussion indicates, much has changed since the Board initially approved SJGs EEPs on July 24, 2009. The Board's commitment to the principles stated in the July 24 Order, however, has not changed. Energy efficiency investments, if properly implemented, serve to help the State meet its environmental needs, serve the need to provide jobs in the short term, and can enhance the State's competitiveness, business climate, and economic prospects in the long term. SJG has been able to build on its relationships with customers to help those customers improve the energy efficiency of existing residential and commercial buildings, and by proposing the extension of the EEPs, the Company shows that it is committed to continuing that effort as well as to developing new programs to further address customer needs. The Board **FINDS** that SJG's EEPs have assisted in achieving the State's energy efficiency goals.

While the Board remains committed to the principles stated in the July 24 Order, it is equally committed to achieving the State's goals in a cost effective and efficient manner. Staff and Rate Counsel have reviewed and analyzed the financial documentation provided by SJG. Based on that review and analysis, and on other information provided by SJG, Staff and Rate Counsel executed the Stipulation as being in the public interest.

The Board, having carefully reviewed the record in this matter, including the 2018 EEP IV Petition and the Stipulation, **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with law. Accordingly, the Board **HEREBY APPROVES** the attached Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein.

As a result of the Stipulation, typical residential customers using 100 therms of gas during a month will see an increase in their monthly bills of \$0.81 or 0.6%.

The Board **HEREBY RATIFIES** the decisions made by Commissioner Solomon during the pendency of this proceeding for the reasons stated in her Orders and decisions.

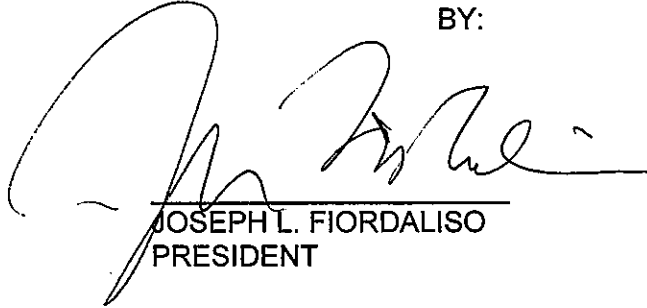
The Board **HEREBY DIRECTS** SJG to file tariff sheets consistent with the Stipulation and this Order by November 1, 2018.

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.

The effective date of this Order is October 29, 2018.

DATED: 10/29/18

BOARD OF PUBLIC UTILITIES
BY:



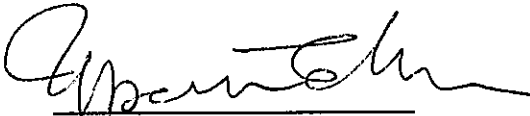
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PRESIDENT



MARY-ANNA HOLDEN
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DIANNE SOLOMON
COMMISSIONER




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COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

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

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL
TO CONTINUE ITS ENERGY EFFICIENCY PROGRAMS ("EEP IV") AND ENERGY
EFFICIENCY TRACKER PURSUANT TO N.J.S.A. 48:3-98.1
BPU DOCKET NO. GO18030350

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October 16, 2018

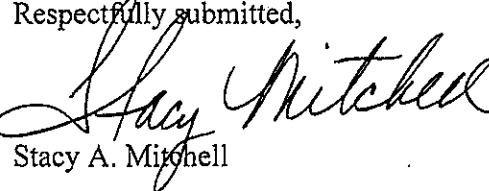
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Re: In the Matter of the Petition of South Jersey Gas Company to Continue its Energy Efficiency Programs ("EEP IV") and Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1 BPU Docket No. GO18030350

Dear Ms. Camacho:

Enclosed please find a fully executed Stipulation of Settlement, including Exhibits A-F, in the referenced matter.

Thank you for your attention to this matter.

Respectfully submitted,

Stacy A. Mitchell

SAM
Enclosure

cc: Service List (via email)

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY
TO CONTINUE ITS ENERGY EFFICIENCY PROGRAMS ("EEP IV") AND ENERGY
EFFICIENCY TRACKER PURSUANT TO N.J.S.A. 48:3-98.1
BPU DOCKET NO. GO18030350**

SERVICE LIST

NJ BOARD OF PUBLIC UTILITIES

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

IN THE MATTER OF THE PETITION OF : BPU DOCKET NO. GO18030350
SOUTH JERSEY GAS COMPANY TO :
CONTINUE ITS ENERGY EFFICIENCY : STIPULATION OF SETTLEMENT
PROGRAMS (“EEP IV”) AND ENERGY :
EFFICIENCY TRACKER PURSUANT TO :
N.J.S.A. 48:3-98.1

APPEARANCES:

Stacy A. Mitchell, Esq., Vice President, Rates & Regulatory Affairs, for South Jersey Gas Company (“Petitioner”).

Felicia Thomas-Friel, Esq., Managing Attorney-Gas, Division of Rate Counsel; **Kurt S. Lewandowski, Esq.**, and **Maura Caroselli, Esq.**, Assistant Deputy Rate Counsels, on behalf of the Division of Rate Counsel (“Rate Counsel”) (**Stefanie Brand**, Director).

Alex Moreau, Deputy Attorney General, on behalf of the Staff of the New Jersey Board of Public Utilities (“Staff”) (**Gurbir S. Grewal**, Attorney General of New Jersey).

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement (“Stipulation”) addresses the petition filed by South Jersey Gas Company (“SJG” or “Company”) with the New Jersey Board of Public Utilities (“BPU” or “Board”) on March 29, 2018 in Docket No. GO18030350 seeking to continue offering its current Energy Efficiency Programs (“EEPs”), with modifications, and to implement several new EEPs, pursuant to N.J.S.A. 48:3-98.1.

BACKGROUND

1. On March 29, 2018, the Company petitioned the Board in this matter for approval to continue its current EEP program offerings, with modifications, and to implement new EEPs for a five (5) year period commencing on issuance of a Board Order, with a total budget of

approximately \$195 million (“EEP IV” or “Program”). SJG also requested approval to recover costs associated with the EEPs through the existing Energy Efficiency Tracker (“EET”).

2. By the petition, EEP IV is designed to continue supporting and complementing the objectives and goals of the New Jersey Clean Energy Program (“NJCEP”) by promoting energy efficiency, providing additional funding for already successful programs, and developing new programs to allow for greater customer participation, as well as to support the goals of the New Jersey Energy Master Plan by reducing energy consumption, producing environmental benefits, and creating green jobs.

3. As filed, EEP IV proposed to implement the following programs, targeting both residential and commercial customers: (1) the NJCEP Residential Loans/Rebates Program; (2) the NJCEP Commercial Loans Program; (3) the Residential Behavior Program; (4) the Residential Efficient Products Program; (5) the Residential Home Assessment with Direct Install Program; (6) the Residential Retrofit Weatherization Program; (7) the Commercial & Industrial (“C&I”) Engineered Solutions Program; (8) the Education Program; and (9) the Emerging Technologies & Approaches Program.

4. For its proposed EEPs, the Company sought authorization for a total program investment level of approximately \$166.7 million and an administrative cost allowance of approximately \$28.7 million, as reflected in the cost allocation table below:

EEP IV Proposed Program Budget
(\$ Millions)

<u>Program Investment</u>	
Residential Programs	\$134.1
Commercial Programs	\$22.8
Other Programs	<u>\$9.8</u>
Total Program Investment	\$166.7

Operations and Maintenance ("O&M")

Administration, Marketing & Sales, Training, Inspections & Quality Control, and Evaluation	<u>\$28.7</u>
	<u>\$195.4</u>

Total Investment and O&M

5. SJG also requested that the Company be permitted flexibility to transfer funding between EEPs after the initial year of the EEP IV, in order to respond to market conditions and maximize energy savings and program resources.

6. As stated in the petition, SJG proposed to recover its costs associated with the proposed EEPs through the existing EET rate mechanism, as set forth in Rider "N" of the Company's tariff. As previously approved, the cost recovery consists of two parts. One part would allow the Company to earn a return on the investment and recover the amortization of the regulatory asset. SJG proposed that the regulatory asset be amortized over a sixteen (16) year period to better align with the useful life of the measures installed for the proposed EEPs. The second part of the EET would recover incremental operating and maintenance ("O&M") expenses associated with the EEPs. To set an EET rate and calculate the Company's return on its unamortized energy efficiency investments, SJG proposed to use the weighted average cost of capital ("WACC") rate of 6.80% (8.77% on a pre-tax basis), which is the WACC utilized to set rates in the Company's most recent base rate case in Docket No. GR17010071, updated for subsequent tax reform changes.

7. Consistent with its currently approved EEPs and EET, SJG proposed to continue filing with the Board, on an annual basis, a petition seeking to establish future EET rates and to adjust its EET rates to reflect over and under recoveries.

PROCEDURAL HISTORY

8. Thirty (30) days prior to its filing in this matter, SJG, Board Staff ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Signatory Parties") met on February 14, 2018 to discuss SJG's proposed petition, including a description of the proposed EEPs and cost recovery mechanism.

9. On April 25, 2018, the Board issued an Order retaining the matter for review and hearing and designated Commissioner Diane Solomon as the presiding officer. The Board further authorized Commissioner Solomon to render decisions on stipulations pursuant to N.J.S.A. 48:2-21.3 extending the 180-day review period, if submitted, provided that the stipulation is executed by all parties to the proceeding.

10. On April 27, 2018, Staff notified SJG that the Petition was administratively complete and the 180-day administrative review period commenced March 29, 2018.

11. On May 25, 2018, Public Service Electric & Gas Company ("PSE&G") filed a Motion to Intervene. The Signatory Parties had no objections.

12. Following proper public notice, two (2) public hearings were held in this matter on August 20, 2018 in Voorhees, New Jersey. No members of the public appeared and no written comments were received.

13. SJG responded to all discovery requests that were propounded in this proceeding by Staff and Rate Counsel.

14. Conferences were held among the Signatory Parties on June 28, 2018, August 14, 2018, and September 12, 2018, in order to facilitate discovery and to discuss settlement.

15. By Order ("Prehearing Order") dated September 25, 2018, Commissioner Solomon issued a Prehearing Order in this matter. The Prehearing Order approved a stipulation

among the parties that extended the 180 day review period until November 25, 2018, as well as a procedural schedule in this matter. The Prehearing Order also denied PSE&G's motion to intervene but, in the alternative, granted PSE&G participant status.

16. By this Stipulation of Settlement, the Signatory Parties reached an agreement resolving all issues in the instant proceeding. Specifically, the Signatory Parties hereby **STIPULATE AND AGREE** to the following terms set forth below:

STIPULATED TERMS

17. The Parties agree that the EEP IV shall be a three (3) year program, commencing upon Board approval and ending December 31, 2021, subject to the Signatory Parties' re-assessment after the second year of the three (3) year term, as discussed in more detail below.

18. The Parties agree that SJG may continue its existing EEPs, with modifications, and implement several new programs, as described below. Detailed EEP descriptions are also attached hereto as Exhibit A (Program Descriptions).

- NJCEP Residential Loans/Rebates Program: This program consists of residential financing and rebate options provided to SJG customers participating in the NJCEP Home Performance and Heating, Ventilation, and Air Conditioning ("HVAC") programs. With its Home Performance incentives, SJG will offer loans up to \$10,000 at 0% interest with a repayment term of seven (7) years, or loans up to \$15,000 at 4.99% interest with a repayment term of ten (10) years, to assist customers in obtaining whole house energy efficiency, comfort, and savings. With its HVAC incentive, SJG will offer financing up to \$11,000 with a repayment term of seven (7) years, or a \$600 rebate, to assist customers in

installing high efficiency HVAC equipment, energy conservation devices, and/or health and safety measures.

- NJCEP Commercial Loans Program: This program consists of commercial financing options provided to SJG customers participating in the NJCEP Non-Residential and Commercial Direct Install programs, and/or if the customer is served under a SJG non-residential rate structure. With its non-residential financing incentive, SJG will offer financing up to \$130,000 at 0% interest with a repayment term of ten years. With its direct install incentive, SJG will continue to offer zero percent (0%), no money down financing, with a five (5) year term. This loan product will be designed to enable qualifying customers to take advantage of that program, such that the participant can receive a NJCEP incentive valued at up to seventy percent (70%) of the retrofit costs. The SJG loan offering is in response to the changes of the Direct Install Program approved by the Board on June 22, 2018, Docket No. QO18040393.
- Residential Behavior Program: This program will provide customers with easy-to-understand information regarding energy use, peer usage, and suggested action steps to generate awareness and motivate customers to produce energy savings through behavioral changes and engagement with other EEPs. Tools include direct mail and/or electronic home energy reports, and a web based customer portal.
- Residential Efficient Products Program: This program will promote low and moderately priced energy efficiency products by offering a broad range of energy efficiency measures through a variety of channels, including an online

marketplace, potential retail in-store rebates, and a network of trade allies. The program will encourage customers to invest in smart thermostats, water saving measures, and weatherization items. Additionally, installation services will be offered as a component of the program for the smart thermostats.

- Residential Home Assessment with Direct Install Program: This program will provide customers with an assessment to explore and invest in the improved comfort and energy efficiency of their home. The assessment will cost customers \$49.00 and include installation of low-cost measures (i.e., LED lighting, low-flow water devices, smart electric strips), as well as behavioral suggestions to improve efficiency. Participants will receive an energy efficiency action plan that summarizes the findings of the audit and recommends technology and building performance improvements that will maximize the efficiency of the home.
- Residential Retrofit Weatherization Program: This program will provide free weatherization services and energy education to residential customers who do not qualify for the State's Comfort Partner Low Income Program, i.e., those whose household income is between 226% and 400% of the annual Federal Poverty Income level.
- C&I Engineered Solutions Program: This program will provide tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals, and non-profit entities. This program is designed to provide specialized services through a contracted engineering firm to assist customers in identifying and understanding large energy efficiency projects on site, while requiring no up-front funding from the customer.

A. PROGRAM INVESTMENTS

19. The Signatory Parties agree that the total EEP IV Program budget shall be \$81.3 million, comprised of a total program investment budget of \$72.1 million and a total O&M expense budget of \$9.2 million, as shown in Exhibit B (Summary Budget) attached hereto. The Signatory Parties agree that the budgeted O&M amount represents a cap and all costs remain subject to review for prudence in the annual cost recovery filings.

20. The EEP IV investments and O&M expenses are summarized in the cost allocation table below:

EEP IV Stipulated Program Budget	
(\$ Millions)	
<u>Program Investment</u>	
Residential Programs	\$63.8
Commercial Programs	<u>\$8.3</u>
Total Program Investment	\$72.1
<u>Operations and Maintenance</u>	
Administration, Marketing & Sales, Training, Inspections & Quality Control, and Evaluation	<u>\$9.2</u>
Total Investment and O&M	<u>\$81.3</u>

21. The Parties agree that SJG is permitted to shift funds between the approved sub-program components and O&M expense, subject to actual participation levels and overall budget considerations. The Company agrees to provide written notice to Board Staff and Rate Counsel for any proposed changes between sub-program funding levels or any change resulting from Board approved changes to NJCEP programs, including a description of the proposed budget re-allocation with supporting schedules.

22. Furthermore, if approved EE program funds are not fully expended or committed by December 31, 2021, SJG will transfer those amounts to the proposed program work in future years or to other BPU-approved SJG energy efficiency programs as directed by the Board.

23. Work related to any specific EEP IV offer or application that has been initiated prior to the end date of December 31, 2021 may continue for close-out and completion purposes within the budget levels agreed to herein.

24. The Signatory Parties further agree that, should there be a prospective change to a NJCEP program for which SJG has a corresponding program, the Company will modify its corresponding program to be consistent with the NJCEP program. The Company agrees to implement any such modified offering within sixty (60) days of the BPU Order approving the modification to the NJCEP program or by a date as determined by the BPU. The Company will notify the Signatory Parties that a longer transition time is necessary to perform the required implementation activities by the Company or to better align with NJCEP implementation dates as determined by the BPU, and explain the reasoning and need for the longer timeframe.

B. ASSESSMENT

25. To effectuate any future modifications to the energy efficiency market, SJG will, no later than January 31, 2021, file a comprehensive assessment of this Program with the Board and Rate Counsel. This assessment will include, but not be limited to, the following items:

1. Cost Benefit Analyses (“CBAs”) reflective of actual costs and customer participation. The CBAs shall be calculated in accordance with prevailing approved NJCEP protocols at the subprogram level and will include:
 - a. CBA ratios for the following tests:
 - Participant Cost Test
 - Program Administrator Cost Test
 - Ratepayer Impact Measure Test
 - Total Resource Cost Test
 - Societal Cost Test

- b. Energy savings by fuel type
 - c. Monetary savings
 - d. Environmental savings
- 2. Summary CBAs will also be provided at the program and portfolio level;
- 3. The number of participants by sub program;
- 4. The budgeted dollars per sub program;
- 5. The actual dollars spent through November 30, 2020 by type of expenditure:
 - a. Program expenditures
 - b. Administrative costs
- 6. The actual dollars committed through November 30, 2020;
- 7. Recap of recent policy determinations or NJCEP program changes that are relevant by sub program;
- 8. Summary of insights and barriers identified to date for the sub-programs;
- 9. Summary of relevant insights regarding the potential for joint/aligned utility efforts by sub program, including potential timing for advancements in this area; and
- 10. Description of how the program delivery and administrative mechanisms of those programs that are subsequently determined to be more appropriately delivered by NJCEP will be transitioned from SJG to NJCEP management.

26. SJG will hold a meeting no later than March 31, 2021 among the Signatory Parties to review this assessment. Based on this discussion, the Parties may schedule additional meetings to discuss potential prospective determinations on the structure of the SJG EEP IV Program.

These determinations may include:

1. No action deemed necessary, i.e., Program continues as approved for the remainder of the three (3) year term established by this stipulation;
2. Modifications to existing sub-programs to comply with recently approved State legislation L. 2018, c. 21, changes in the NJCEP, or policy decisions made by the Board since the date of Board approval of this stipulation, or based on program results. These modifications could include processes for some sub-programs to be replaced by successor programs approved through the assessment processes; or
3. Designating some or all of the programs to be reduced and/or terminated, depending on the implementation of the legislative requirements, changes in the NJCEP, or policy decisions made by the Board since the date of Board approval of this stipulation, the Board's strategic planning process, or program results.

27. In addition, SJG commits to share market insights from all SJG EEP IV programs with the BPU, Rate Counsel, and, as appropriate, other stakeholders as the State begins to address the legislative mandates for energy efficiency and renewable energy or as otherwise deemed appropriate by the BPU.

28. In addition, the Signatory Parties shall meet on a quarterly basis, at a minimum, to evaluate the status of the State's plan and the impact on the Company's approved programs.

C. COST RECOVERY

29. The Signatory Parties agree that EEP cost recovery will continue through a separate component of the EET cost recovery mechanism and operate as previously approved by

the Board in its July 2009 Order, its June 2013 Order, and its August 2015 Order. EET cost recovery will consist of two parts and be affected through a deferred accounting mechanism. One part will recover the amortization of the capital investments made in participating customer rebates and incentive payments, and the costs of providing customer financing, as well as a return on the unamortized portion of program investments. In addition to a reduction for the accumulated amortization of its program investments, the Company will deduct the applicable deferred income taxes related to the amortization of program costs. The second part of the EET will recover incremental O&M expenses associated with the EE programs.

30. The Signatory Parties agree that the capital investments will be amortized over a seven (7) year period on a straight-line basis.

31. The Signatory Parties agree that the return on the unamortized portion of the Program investment be set equal to the WACC of 6.80% (8.77% on a pre-tax basis), as shown in the capital structure below:

	<u>Ratios</u>	<u>Cost Rates</u>	<u>Weighted Cost Rates</u>	<u>Pre-Tax Weighted Cost Rate</u>
Long Term Debt	47.50%	3.70%	1.76%	1.76%
Common Equity	<u>52.50%</u>	9.60%	<u>5.04%</u>	<u>7.01%</u>
Total Cost of Capital	100%		6.80%	8.77%

32. The Signatory Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations and captured in the next scheduled annual true-up. The Signatory Parties further agree that any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over- and under-recoveries

until the date of the next scheduled annual true up, but in any event no later than October 1 of the subsequent year.

33. The initial revenue requirement and associated EET rate will commence on November 1, 2018, or as specified by the Board, and be based on projected EEP expenditures. The projected annual revenue requirement calculations for the EEPs are attached hereto as Exhibit C (Annual Revenue Requirements).

34. The monthly over-and-under recoveries calculation will be based on actual EET revenues billed monthly under the EET mechanism applied against the monthly EET revenue requirement. The monthly over-and-under recovery calculation will follow the methodology illustrated in the projected calculation, described below and attached hereto as Exhibit D (Year 1 Recovery & Interest Schedule). The interest calculation shall be based on the average of the net of tax beginning and ending monthly balance.

D. RATES

35. The Parties agree that the initial EET rate associated with EEP IV shall be \$0.008117 per therm, including taxes. This represents an increase of \$0.008117 per therm to the current EET rate of 0.009144 per therm, for a total combined EET rate of \$0.017261 per therm, including taxes, effective November 1, 2018, or as specified by the Board. Proposed tariff pages reflecting this EET rate are attached hereto, in blacklined form, as Exhibit E (Tariff Pages).

36. The EET rate set forth in this Stipulation results in an increase of approximately \$0.81 or 0.6% per month to the average residential heating customer using 100 therms of gas during a winter month.

E. ANNUAL FILING

37. The Signatory Parties agree that the Company will file an annual petition ("Annual Filing") in June each year to adjust the EET rate, with a proposed effective date of October 1. Each Annual Filing will contain a reconciliation of its projected EET costs, projected recoveries, and actual revenue requirements for the relevant period, including a break out of expenses, investments, and unamortized investments, in addition to the items set forth in the minimum filing requirements ("MFRs") shown in Exhibit F attached hereto. The EET rate will be subject to full and complete examination in the context of the Annual Filing. The EET will be subject to adjustment and true-up through the deferral process, and any required adjustment will be included in the over/under recovered balance.

38. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based on the Company's monthly average short-term debt rate obtained on its commercial paper and/or bank credit lines. The interest amount charged or credited to the EET shall be based on the net average monthly balance, consistent with the methodology set forth in Exhibit D attached hereto. The Company shall accrue simple interest with an annual roll-in at the end of each 12-month period. The interest rate shall not exceed the WACC identified in paragraph 31 herein.

F. REPORTING REQUIREMENTS

39. The Company will continue to submit data regarding energy efficiency programs and expenses in accordance with the format and timing dictated by the NJCEP Program Administrator. The Company will submit each Monthly Activity Report within thirty (30) days of the end of the calendar month covered by the report or consistent with the timing set by NJCEP's Program Administrator.

40. The effective date of this Stipulation and tariffs shall be November 1, 2018 unless otherwise specified by the Board in its Order considering this Stipulation. The Company shall provide compliance tariff sheets reflecting the Board's decision in this matter within ten (10) days of being served with the Board Order unless otherwise specified by the Board.

FURTHER PROVISIONS

41. The Signatory Parties agree that this Stipulation fully disposes of all issues in controversy in this proceeding. 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 any part 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 Signatory Party is free to pursue any legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

42. The Signatory Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

43. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Signatory 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. The Signatory Parties further agree

that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation. All rates are subject to audit by the Board.

44. The Signatory Parties further acknowledge that any increase or resolution of any issue agreed to in this Stipulation shall become effective upon the date specified in the service of said Board Order approving the Stipulation or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

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

SOUTH JERSEY GAS COMPANY

By:


Stacy A. Mitchell Esq.
Vice President, Rates & Regulatory Affairs

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

By: _____

Alex Moreau
Deputy Attorney General

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: _____

Kurt S. Lewandowski, Esq.
Assistant Deputy Rate Counsel

Dated: October 11, 2018


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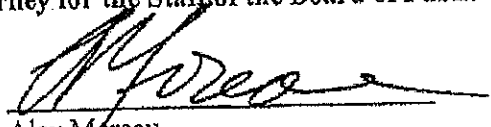
SOUTH JERSEY GAS COMPANY

By:


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Vice President, Rates & Regulatory Affairs

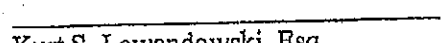
GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
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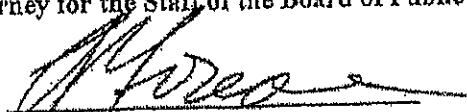
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By:


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South Jersey Gas – Residential Behavior Program Description

<p>Program Description</p>	<p>The Residential Behavior program will provide customers with granular and easy-to-understand information about their energy use, the usage of their peers, and suggested steps to generate awareness and motivate customers to produce energy savings through behavioral changes and engagement with other EEPs. Direct mail and/or electronic home energy reports (HERs) will be the cornerstone of this program and will provide participants with customized, easy to implement action steps and recommendations to reduce energy consumption and support behavior modification for improved energy efficiency. The HERs will present participants with a view of their historical energy consumption compared to peer group customers.</p>																				
<p>Market Segment/Efficiency Targeted</p>	<p>This program will provide home energy reports to 170,000 single family residential customers.</p>																				
<p>Delivery Method</p>	<p>SJG's HER vendor will identify and distribute HERs to residential customers at no charge to the participant.</p>																				
<p>Projected Participants and Energy Savings</p>	<table border="1"> <thead> <tr> <th>Subprogram</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Participants</td> <td>170,000</td> <td>170,000</td> <td>170,000</td> </tr> <tr> <td>Natural Gas Savings (therms)</td> <td>1,233,560</td> <td>1,233,560</td> <td>1,233,560</td> </tr> <tr> <td>Electric Savings (kWh)</td> <td>5,100,000</td> <td>5,100,000</td> <td>5,100,000</td> </tr> <tr> <td>Electric Demand Savings (kW)</td> <td>850</td> <td>850</td> <td>850</td> </tr> </tbody> </table>	Subprogram	2019	2020	2021	Participants	170,000	170,000	170,000	Natural Gas Savings (therms)	1,233,560	1,233,560	1,233,560	Electric Savings (kWh)	5,100,000	5,100,000	5,100,000	Electric Demand Savings (kW)	850	850	850
Subprogram	2019	2020	2021																		
Participants	170,000	170,000	170,000																		
Natural Gas Savings (therms)	1,233,560	1,233,560	1,233,560																		
Electric Savings (kWh)	5,100,000	5,100,000	5,100,000																		
Electric Demand Savings (kW)	850	850	850																		
<p>Relationship to Existing Programs</p>	<p>The Residential Behavior program has similar components to the existing SJG Social Marketing and Education program. Some peer utilities within the state, including Atlantic City Electric, New Jersey Natural Gas, Public Service Electric & Gas, and Elizabethtown Gas are also running home energy reporting programs for residential customers and online audit tools. This program will complement the peer utility programs and will include additional direction to the next steps for residential customers within SJG territory. The NJCEP does not offer any similar programs at this time.</p>																				
<p>Incentives</p>	<p>All services under this program will be provided at no cost to the customer.</p>																				
<p>Estimated Avoided Air Emissions</p>	<p>CO2 Emissions Reduction (tons): 48,239 SO2 Emissions Reduction (tons): 22 NOx Emissions Reduction (tons): 37</p>																				
<p>Anticipated Job Creation</p>	<p>The direct and indirect jobs to be created as a result of SJG's Residential Behavior program are 11 jobs.</p>																				
<p>Marketing Approach</p>	<p>The residential behavior program will not require marketing for participation. However, the program provides SJG an opportunity to market other program offerings and relevant NJCEP programs.</p>																				
<p>Contractor Role</p>	<p>SJG will utilize a third-party vendor implementation contractor to provide the services under this program.</p>																				

South Jersey Gas – Residential Efficient Products Program Description

<p>Program Description</p>	<p>The Residential Efficient Products program will promote energy efficiency products by offering a range of energy efficient measures through a variety of channels, including an online marketplace, potential retail in-store rebates, and collaboration with schools and local foodbanks. This program offers customer incentives for a variety of products through up-front rebates to reduce initial costs. The program will incentivize customers to purchase and install smart thermostats, water saving measures, weatherization items, as well as pre-packaged conservation kits. These measures range in type and price but include both natural gas and limited electric energy saving measures that improve energy efficiency in the home. The program is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels and will also provide a means to encourage customers to take the first steps toward energy efficiency. SJG will also consider expansion of the energy efficient products based on success of the program.</p>																				
<p>Market Segment/Efficiency Targeted</p>	<p>The Residential Efficient Products program will be available to all residential gas customers in SJG's territory. The efficiency target for this program will be heating and cooling (thermostats, minor building envelope measures), plug load (smart strips), water heating (low flow showerheads and aerators), and efficient lighting.</p>																				
<p>Delivery Method</p>	<p>Online Marketplace: SJG will launch a self-branded online marketplace to optimize the range of functionality and value for our customers. This online marketplace will be an easy to use source for the online purchase of efficient products and services. Participants will be able to purchase self-installed smart thermostats through the marketplace which will offer instant rebates, as well as a variety of other products. SJG will explore options with the vendor to ensure customer eligibility, in addition to the potential for validation of in-store rebates for the smart thermostats with major retailers.</p>																				
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Subprogram	2019	2020	2021																		
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Electric Savings (kWh)	3,456,752	3,603,696	3,653,625																		
Electric Demand Savings (kW)	140	170	200																		
<p>Relationship to Existing Programs</p>	<p>While NJCEP currently offers an Energy Efficiency Products Program (for clothes washers & dryers and refrigerators), they do not provide incentives for smart thermostats, water savings items, low cost weatherization products, or packaged conservation kits. NJCEP currently does not offer an online marketplace. The Residential Efficient Products program will complement the peer utility programs and will expand to include additional low-price entry point products and rebate opportunities to make energy efficiency more accessible to a broader range of customers. Additionally, this program adds components to help meet the needs of low to moderate income customers and raise their awareness of other resources to help with their energy needs.</p>																				
<p>Incentives</p>	<p>SJG will offer a \$150 rebate for smart thermostats to reduce the upfront cost of the investment. As noted above, SJG will be considering options for midstream delivery with retailers. The incentive level for other products will be roughly 50% of the efficient measure cost, as detailed below: Low flow aerator \$2.00</p>																				

Exhibit A

	<p>Low flow showerhead \$11.00 Smart Power Strip (Tier 1) \$16.50 Smart Power Strip (Tier 2) \$25.00 LED Screw-in General Service Lamp \$1.50 LED Nightlight \$4.59 Outlet covers \$0.48 Weather stripping \$2.00</p>
Estimated Avoided Air Emissions	<p>CO2 Emissions Reduction (tons): 153,433 SO2 Emissions Reduction (tons): 82 NOx Emissions Reduction (tons): 119</p>
Anticipated Job Creation	<p>The direct and indirect jobs to be created as a result of SJG's Residential Efficient Products program are 91 jobs.</p>
Marketing Approach	<p>SJG will use digital and social media channels as well as email campaigns to promote this program and analyze results to maximize its effectiveness and marketing dollars. SJG will promote programs through internal marketing tools including bill inserts, customer newsletters, and brochures. Remarketing campaigns will be employed to target customers who have shown interest in our program(s) but have not yet taken action or had the opportunity to take further action.</p>
Contractor Role	<p>SJG will conduct a Request for Proposals (RFP) to secure a vendor for the online marketplace and the potential to include a retail component for some measures, such as the smart thermostat discount.</p>

South Jersey Gas – Residential Home Energy Assessment with Direct Install Program Description

<p>Program Description</p>	<p>The SJG’s Residential Home Energy Assessment with Direct Install (HEAwDI) program is designed to deliver residential customers with a comprehensive, independent assessment of the potential energy savings in their homes. The assessment will cost customers \$49 and will be performed by a third-party contractor. During the course of the assessment, the third-party auditors will also install/provide low-cost energy savings measures (e.g. low flow showerheads, aerators, smart power strips, LED lightbulbs) and will provide tips regarding other low/no-cost energy savings (e.g. changing furnace filters, use of ceiling fans). At the conclusion of the assessment, all customers will receive a recommended list of potential energy efficiency investments tailored to their home that they can share with contractors. SJG will be able to follow-up with both the customers and the contractors to ensure customers receive timely proposals and have the information they need to consider moving ahead with the NJCEP Loan/Rebate programs.</p>																				
<p>Market Segment/Efficiency Targeted</p>	<p>This program will be available to all residential customers in SJG’s service territory. The efficiency target for this program will be heating and cooling (thermostats), plug load (smart strips), and water heating (low flow showerheads and aerators).</p>																				
<p>Delivery Method</p>	<p>SJG will use its brand and customer outreach to encourage customers to participate in this program. SJG will issue a RFP to retain a third-party contractor(s) to perform the home energy assessments.</p>																				
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Electric Savings (kWh)	1,227,426	1,423,815	1,620,203																		
Electric Demand Savings (kW)	101	118	134																		
<p>Relationship to Existing Programs</p>	<p>NJNG currently offers a similar Home Energy Assessment program, however it does not include direct install measures. Elizabethtown Gas also currently offers a Home Energy Assessment program that offers the installation of other measures (e.g. programmable thermostat). Customers within Elizabethtown Gas’s program may be encouraged to participate in the NJCEP Warm Advantage or Home Performance with ENERGYSTAR programs or may be eligible for other seal-up and insulation measures outside of Home Performance with ENERGY STAR. NJCEP has a Home Performance direct install pilot in conjunction with the Home Performance Program.</p>																				
<p>Incentives</p>	<p>The \$49 assessment fee is intended to generate stronger customer interest in participating in the program and create additional leads for other programs. The measures included during the assessment will be provided at no additional cost to the customer with the exception in which a smart thermostat is paired with an assessment (this measure will receive a \$150 rebate). Customers pairing the programs will pay the \$49 assessment fee and the net per unit cost of the smart thermostat for up to two units.</p>																				
<p>Estimated Avoided Air Emissions</p>	<p>CO2 Emissions Reduction (tons): 39,058 SO2 Emissions Reduction (tons): 29 NOx Emissions Reduction (tons): 30</p>																				
<p>Anticipated Job Creation</p>	<p>The direct and indirect jobs to be created as a result of SJG’s Residential Efficient Products program are 91 jobs.</p>																				

Exhibit A

Marketing Approach	SJG will implement a multi-pronged direct and indirect marketing campaign to promote this program. SJG will use digital and social media channels, as well as email campaigns to promote this program to maximize its effectiveness and our marketing dollars. Programs will be promoted through internal marketing tools, including bill inserts and other communication tools that are both traditional and digital. Remarketing campaigns will be employed to target customers who have shown interest in our program(s) but have not yet taken action or have had the opportunity to make additional energy saving measures. SJG also anticipates partnering with local stakeholders to promote the program.
Contractor Role	SJG will conduct a RFP to secure a vendor for the Residential Home Energy Assessment with Direct Install program. SJG will work closely with the contractor to plan and implement this program.

South Jersey Gas – Residential Retrofit Weatherization Program Description

<p>Program Description</p>	<p>The Residential Retrofit Weatherization Program provides an opportunity for low to moderate income customers to receive no cost energy efficiency measures and upgrades. This program is intended to serve customers not served by the OCE Comfort Partners Program. Income eligible customers will undergo an audit, and then receive no cost direct install measures (such as showerheads, faucet aerators, and LED bulbs) and weatherization measures (insulation, air sealing, and duct sealing). Homeowners with nonfunctional heating systems may also be eligible to receive an efficient furnace or boiler at no cost. The program will cap each project at \$6,000 with an additional \$1,000 cap on health and safety expenses.</p>																				
<p>Market Segment/Efficiency Targeted</p>	<p>The Residential Retrofit Weatherization Program will be available to all income qualified single-family homes served with natural gas in the SJG service territory. To qualify for this program, the customer’s household income must range from 226% to 400% of Federal Income Poverty Level.</p>																				
<p>Delivery Method</p>	<p>This program will be implemented by a third party overseen by SJG staff. The program relies on the local trade ally network to identify and deliver efficiency services to customers according to the format described herein: In-Home Energy Audit and In-Home Efficiency Improvements: In-home energy audits are conducted by third party contractors retained by SJG. During the audit, customers will receive free installation of low-cost measures such as LED lighting, low-flow devices, and smart strips at no additional cost, in addition to behavioral suggestions to improve efficiency of the home and a review of thermostat setpoints. Smart thermostats will be made available at no cost, while the auditors are on the premises. Following the in-home audit, the participant will also be given the opportunity for additional building envelope measures to be installed at no cost. These measures include air sealing and building insulation. Also, customers with nonfunctional heating and cooling equipment may receive new equipment at no cost.</p>																				
<p>Projected Participants and Energy Savings</p>	<table border="1"> <thead> <tr> <th>Subprogram</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Participants</td> <td>100</td> <td>200</td> <td>300</td> </tr> <tr> <td>Natural Gas Savings (therms)</td> <td>34,540</td> <td>69,080</td> <td>103,620</td> </tr> <tr> <td>Electric Savings (kWh)</td> <td>101,712</td> <td>203,424</td> <td>305,137</td> </tr> <tr> <td>Electric Demand Savings (kW)</td> <td>17</td> <td>35</td> <td>52</td> </tr> </tbody> </table>	Subprogram	2019	2020	2021	Participants	100	200	300	Natural Gas Savings (therms)	34,540	69,080	103,620	Electric Savings (kWh)	101,712	203,424	305,137	Electric Demand Savings (kW)	17	35	52
Subprogram	2019	2020	2021																		
Participants	100	200	300																		
Natural Gas Savings (therms)	34,540	69,080	103,620																		
Electric Savings (kWh)	101,712	203,424	305,137																		
Electric Demand Savings (kW)	17	35	52																		
<p>Relationship to Existing Programs</p>	<p>This program is designed to complement the OCE Comfort Partners Program by offering a similar program to a slightly higher income segment. These customers will also receive marketing materials for additional energy efficiency and energy assistance programs offered by SJG and OCE.</p>																				
<p>Incentives</p>	<p>This program will be offered at no cost to participants and includes a home energy audit. The costs of installed measures for each participant is capped at \$6,000, unless the replacement of a heating system is required of a nonfunctioning system or for health and safety issues. Additionally, there is a \$1,000 cap on health and safety expenses.</p>																				
<p>Estimated Avoided Air Emissions</p>	<p>CO2 Emissions Reduction (tons): 28,861 SO2 Emissions Reduction (tons): 7 NOx Emissions Reduction (tons): 23</p>																				
<p>Anticipated Job Creation</p>	<p>The direct and indirect jobs to be created as a result of SJG’s Residential Retrofit Weatherization program are 52 jobs.</p>																				

Exhibit A

Marketing Approach	SJG will utilize a targeted marketing approach to educate potential eligible customers about the program. These could include hard-copy materials to promote awareness among trade allies and customers. SJG also intends to pursue additional marketing opportunities through other programs such as Residential Behavior, where information garnered could be used to identify potential participants for the Residential Retrofit program. SJG will also look at customers that did not qualify for the Office of Clean Energy's Comfort Partners program that might be eligible for the Residential Retrofit program. Finally, our community outreach specialist will work to promote the program and educate customers on energy efficiency and the programs available to assist them.
Contractor Role	SJG will conduct a RFP to secure a vendor for the Residential Retrofit program. SJG will work closely with contractors to plan and implement this program.

South Jersey Gas – NJCEP Residential Loans/Rebates - HPwES/HVAC Program Description

<p>Program Description</p>	<p>SJG will continue to support the NJCEP Home Performance with ENERGY STAR (HPwES) and COOLAdvantage and WARMAdvantage (HVAC) programs through loans, rebates, and marketing efforts.</p> <p>The HPwES program will promote the “whole house” approach to energy efficiency and the availability of incentives through NJCEP’s HPwES program, while providing the option for interest-free and low-cost financing to participants to reduce the up-front cost of installing energy efficient equipment in their homes.</p> <p>The HVAC Incentives program will encourage customer investment in high-efficiency equipment. SJG will offer incentives to customers installing qualifying high-efficiency gas furnaces/boilers, combination (heat and hot water) units, water heaters, and qualifying air conditioning systems when combined with one of these gas measures. To continue to educate customers about the other energy saving opportunities for their home, SJG will continue to require customers to participate in a no-cost home energy assessment audit conducted by SJG following the installation of equipment. The assessment conducted by SJG will identify additional energy-saving opportunities, and customers will be encouraged to move forward with additional whole-house energy efficiency projects. Equipment eligibility will continue to align with the requirements of NJCEP’s program (or appropriate successor should NJCEP modify its program).</p>																				
<p>Market Segment/Efficiency Targeted</p>	<p>The program will serve residential customers by promoting the installation of high-efficiency equipment and other whole-house energy conservation measures through opportunities identified in the required assessment.</p>																				
<p>Delivery Method</p>	<p>SJG will assist NJCEP in generating leads for this program through its existing relationship with customers and the trade ally community. SJG will contract with third party auditors with BPI certification to perform the required home energy assessment. Customers can use any contractor they choose for project installation, but if they wish to access the interest-free financing they may only use a contractor that is a South Jersey Gas Participating Contractor.</p>																				
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<p>Relationship to Existing Programs</p>	<p>This program aligns with the NJCEP HPwES and WARM and COOLAdvantage programs and encourages stronger participation by making expensive high efficiency equipment more accessible to all customers through either supplemental rebates or financing.</p>																				
<p>Incentives</p>	<p>SJG will continue to offer the prevailing NJCEP HPwES financing component as a utility financing option. SJG will offer participants the option of either up to a \$10,000 loan at 0% interest with a 7-year maximum term or up to a \$15,000 loan at 4.99% interest with a 10-year maximum term.</p> <p>The following HVAC rebate incentives are available only after completion of the required home energy assessment:</p> <ul style="list-style-type: none"> Furnace (Minimum 95% AFUE) \$500 Boiler (Minimum Hydronic 90% AFUE) \$500 Boiler with Indirect and/or Combo Unit (90% AFUE) \$600 																				

	<p>Or Furnace (Minimum 95% AFUE) with the simultaneous installation of a qualifying Water Heating system (.64 or greater UEF)</p> <p>To ensure the up-front cost is not a barrier for customers, SJG will offer customers the option to apply for interest-free financing in lieu of these SJG rebates. SJG will allow customers to finance up to \$11,000 for a qualifying HVAC system or boiler. These projects can also include a qualifying air-conditioning system if installed with an accompanying qualifying gas measure. All financing agreements through this program will be a 0% Annual Percentage Rate (APR) for a seven-year term.</p>
<p>Estimated Avoided Air Emissions</p>	<p>CO2 Emissions Reduction (tons): 145,472 SO2 Emissions Reduction (tons): 61 NOx Emissions Reduction (tons): 114</p>
<p>Anticipated Job Creation</p>	<p>The direct and indirect jobs to be created as a result of SJG's NJCEP Residential programs are 152 jobs.</p>
<p>Marketing Approach</p>	<p>SJG employs a variety of channels and methods to promote and educate customers on the benefits of energy efficiency and the availability of incentives for installing energy efficient equipment, including our SJG website, digital and social media channels, email campaigns, as well as traditional marketing.</p>
<p>Contractor Role</p>	<p>SJG will continue to allow all contractors participating in the NJCEP HPwES program to offer the financing feature to their customers. These contractors will be able to access all HPwES leads generated from both the Residential Home Energy Assessment with Direct Install program and from the required audit from the HVAC incentives program.</p>

South Jersey Gas – C&I Engineered Solutions Program Description

<p>Program Description</p>	<p>The C&I Engineered Solutions Program will provide tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals and non-profit entities. The program will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on site, while requiring no up-front funding from the customer. Through this program, customers will be provided with an in-depth audit of their facilities as well as a detailed audit and recommendation of energy efficiency measures that could be economically installed. Customer incentives are determined on a project-by-project basis, and participants may select their preferred installation vendors. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs with interest free repayments over a period of five years.</p>
<p>Market Segment/Efficiency Targeted</p>	<p>C&I public sector municipalities, universities, schools, hospitals, non-profit, medical and educational facilities located within SJG’s service territory are eligible to participate in this program. The program will provide energy audits and incentives to entities that directly serve the public but often have difficulty investing in energy efficiency. The measures included in this program may include HVAC, building envelope, motors, lighting, controls, energy storage, and other energy consuming equipment.</p>
<p>Delivery Method</p>	<p>SJG will retain qualified vendors to undertake the audit and engineering services required to deliver this program. Participants will contract with their preferred installation trade allies to install the measures included in projects.</p> <p>The program delivery will typically occur in four steps:</p> <ul style="list-style-type: none"> • Audit: SJG or its selected third-party implementation contractor shall assess the required level of American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) audit to perform based on the complexity of the facility and the potential energy efficiency measures. However, an investment grade audit may not be required for all facilities. The selected SJG vendor then will perform the appropriate level energy audit and prepare a customized audit report that includes a list of recommended energy efficiency upgrades. SJG and its representatives will review the recommended energy efficiency upgrades with the customer to determine whether to proceed with a project. • Engineering Analysis of Project: Based on the audit results, an engineering analysis may be required. SJG will conduct a screening of the payback and project cost effectiveness and select a set of approved energy efficiency measures for the project. The program engineering vendor will prepare bid-ready documents and work with the participant to prepare a project Scope of Work, which will be used by the customer to obtain installation cost estimates for project. • Scope of Work/Contractor Bids: The participant will issue a Scope of Work to obtain bids to complete the identified and approved project. SJG, the program engineering vendor, and the participant will review and evaluate the bids/costs received and make the final decision on bid selection. Following bid selection, the proposed project is again screened for cost effectiveness and the participant is presented a funding commitment proposal from SJG. Once (i) the participant and SJG have executed the funding commitment and (ii) the installation contractor and the participant have executed applicable agreements and contracts, the first progress payment equal to approximately 30% of the installation cost can be issued to the customer to initiate the project (Stage 1 Progress Payment).

	<p>• Measures Installation and Inspections: SJG, its representatives, and the energy engineering vendor, acting as construction administration agent, will monitor project progress. Upon verification of satisfactory project progress, a series of Stage 2 progress payments up to 50% of total project commitment can be issued. When the project is 100% complete, a final project true-up, and final inspection will be undertaken. The final payment based on the results of project true-up is determined and issued only if the final inspection is successfully completed and approved. If the final costs are less than the estimated project commitment, the final payment will be adjusted down to reflect the actual costs. If the final costs are greater than the estimated project commitment, the final payment will not be adjusted and will be paid according to the executed agreements and contracts specifying original costs.</p> <p>The progress payment schedule described above is designed to ensure that building owners can pay their contractors on a timely basis. Project progress and the project cash flow will be monitored and verified by SJG or a designated third-party implementation contractor.</p>																				
<p>Projected Participants and Energy Savings</p>	<table border="1"> <thead> <tr> <th>Subprogram</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Participants</td> <td>0</td> <td>1</td> <td>3</td> </tr> <tr> <td>Natural Gas Savings (therms)</td> <td>0</td> <td>43,290</td> <td>129,370</td> </tr> <tr> <td>Electric Savings (kWh)</td> <td>0</td> <td>568,386</td> <td>1,705,158</td> </tr> <tr> <td>Electric Demand Savings (kW)</td> <td>0</td> <td>124</td> <td>373</td> </tr> </tbody> </table>	Subprogram	2019	2020	2021	Participants	0	1	3	Natural Gas Savings (therms)	0	43,290	129,370	Electric Savings (kWh)	0	568,386	1,705,158	Electric Demand Savings (kW)	0	124	373
Subprogram	2019	2020	2021																		
Participants	0	1	3																		
Natural Gas Savings (therms)	0	43,290	129,370																		
Electric Savings (kWh)	0	568,386	1,705,158																		
Electric Demand Savings (kW)	0	124	373																		
<p>Relationship to Existing Programs</p>	<p>The C&I Engineered Solution Program is a broadening of the approach that PSE&G currently uses for its existing Hospital and Healthcare program and Multi-Family program into new sectors including municipalities, universities, non-profits, and schools, while continuing to offer services to the hospital and healthcare facilities previously covered. The C&I Engineered Solutions Program is designed to reach segments of the market that have difficulty accomplishing projects through the other pathways (including existing NJCEP programs).</p> <p>NJCEP does not offer a similar program at this time. With respect to public school districts this program is intended to act in a complementary manner with the existing NJ Energy Savings Investment Program (ESIP) financing mechanism, while also providing an optional, alternative financing mechanism. Districts could follow an ESIP path and leverage the incentives provided through this program to allow for a larger project financed through any of the three ESIP approaches (DIY, ESCO, Hybrid). A school district developing an ESIP would utilize incentives available through the C&I Engineered Solutions Program in lieu of other traditional sources. In addition, the district would also have the option of whether to use the ESIP approach to bond or access private financing from an Energy Service Company (ESCO) for the additional ESIP costs, or to utilize the interest-free financing provided by the SJG C&I Engineered Solutions Program.</p>																				
<p>Incentives</p>	<p>The program will provide a 100% incentive for an up-front ASHRAE Level I, II, or III audit. The specific audit level will be determined based upon the type, size, and age of the facility. In addition, SJG will buy-down the simple payback of the recommended energy efficiency project cost for approved measures up to six years, with the resulting payback not less than three years. After the project incentive buy-down, the remaining project costs may be funded by the program with participants repaying the balance of the project costs interest-free over a period of five years.</p>																				

Exhibit A

	<p>SJG will retain the option and flexibility to adjust the incentive offered to participants to enable a whole-building approach that will include additional energy efficiency measures in the project. The full cost of the energy efficiency projects, including engineering, transaction costs and cost of construction, will be covered through a combination of program incentive and customer repayments.</p>
Estimated Avoided Air Emissions	<p>CO2 Emissions Reduction (tons): 42,346 SO2 Emissions Reduction (tons): 49 NOx Emissions Reduction (tons): 33</p>
Anticipated Job Creation	<p>The direct and indirect jobs to be created as a result of SJG's C&I Engineered Solutions program are 45 jobs.</p>
Marketing Approach	<p>SJG will leverage existing relationships with municipalities, universities, schools, and other public agencies to promote the program and will conduct further outreach through school, university, and municipal associations. In addition, SJG will work with hospitals, healthcare facilities, and non-profits agencies to increase awareness of the program. The program will leverage SJG's existing relationships and communication channels with customers.</p>
Contractor Role	<p>SJG will select qualified program participating vendors to undertake all auditing and engineering work associated with the program. Participants are permitted to select their preferred installation contractors to complete work on site. SJG may also take on a third-party implementation contractor to assist in the outreach, marketing, and trade ally coordination, to support the large number of municipalities and schools within the SJG service territory. Installation contractors, as selected by the participants, must adhere to the project specifications as developed by SJG and the engineering vendor, and as approved by the participant.</p>

South Jersey Gas Energy – NJCEP Commercial Programs Description

Program Description	Commercial customers implementing upgrades through NJCEP's Direct Install (DI), Pay for Performance (P4P), and Smart Start (SS) programs are eligible to access interest-free financing from SJG. The interest-free financing is available to reduce up-front cost barriers customers may face when installing energy efficient equipment. Customers may take advantage of all of the NJCEP DI, P4P and SmartStart incentives and the financing. Only customers who meet SJG's credit review criteria will be eligible to access financing. SJG reserves the right to limit participation in financing to customers who utilize natural gas within their facility.																				
Market Segment/Efficiency Targeted	All commercial customers participating in NJCEP's Direct Install, P4P and Smart Start Programs within SJG's service territory. This program covers a wide range of customer types and market segments therefore the types of efficiency measures are numerous.																				
Delivery Method	SJG will utilize in-house staff for the credit screening for larger commercial and industrials customers, along with our financing agent. SJG staff will also assist in outreach and marketing to encourage customers to participate in these NJCEP programs and provide on-going support for customer inquiries throughout the process.																				
Projected Participants and Energy Savings	<table border="1"> <thead> <tr> <th data-bbox="415 852 850 953">Subprogram</th> <th data-bbox="855 852 997 953">2019</th> <th data-bbox="1002 852 1143 953">2020</th> <th data-bbox="1148 852 1321 953">2021</th> </tr> </thead> <tbody> <tr> <td data-bbox="415 959 850 989">Participants</td> <td data-bbox="855 959 997 989">43</td> <td data-bbox="1002 959 1143 989">48</td> <td data-bbox="1148 959 1321 989">52</td> </tr> <tr> <td data-bbox="415 995 850 1024">Natural Gas Savings (therms)</td> <td data-bbox="855 995 997 1024">2,627,415</td> <td data-bbox="1002 995 1143 1024">1,203,333</td> <td data-bbox="1148 995 1321 1024">521,063</td> </tr> <tr> <td data-bbox="415 1031 850 1060">Electric Savings (kWh)</td> <td data-bbox="855 1031 997 1060">9,893,054</td> <td data-bbox="1002 1031 1143 1060">13,702,169</td> <td data-bbox="1148 1031 1321 1060">16,361,926</td> </tr> <tr> <td data-bbox="415 1066 850 1096">Electric Demand Savings (kW)</td> <td data-bbox="855 1066 997 1096">2,789</td> <td data-bbox="1002 1066 1143 1096">3,997</td> <td data-bbox="1148 1066 1321 1096">4,334</td> </tr> </tbody> </table>	Subprogram	2019	2020	2021	Participants	43	48	52	Natural Gas Savings (therms)	2,627,415	1,203,333	521,063	Electric Savings (kWh)	9,893,054	13,702,169	16,361,926	Electric Demand Savings (kW)	2,789	3,997	4,334
Subprogram	2019	2020	2021																		
Participants	43	48	52																		
Natural Gas Savings (therms)	2,627,415	1,203,333	521,063																		
Electric Savings (kWh)	9,893,054	13,702,169	16,361,926																		
Electric Demand Savings (kW)	2,789	3,997	4,334																		
Relationship to Existing Programs	The program is integrated with the NJCEP DI, P4P and SS programs. This program approach is consistent with what SJG currently offers for our commercial customers under our current commercial financing programs. New Jersey Natural gas offers similar financing incentives for its customers. PSE&G offers its own version of a Direct Install program that is not integrated with the NJCEP program.																				
Incentives	<p>For DI, financing will be available up to the value of project costs less NJCEP rebates/incentives, subject to prevailing caps, with a repayment term of five (5) years. In the event NJCEP adjusts the incentive ratio or caps during the term of this approved program, the maximum available financing amount should be adjusted accordingly to continue to target the elimination of the up-front cost barrier.</p> <p>For the NJCEP SmartStart Program®, the financed amount is expected to be equal to, or less than the total project costs, net NJCEP rebates/incentives. SJG will offer a repayment term of ten (10) year repayment term and will allow customers to finance up to \$130,000. The intention of this program is to offer affordable financing components for any "single and/or multi-measure" commercial programs that NJCEP and South Jersey Gas may offer.</p> <p>The P4P approach is to generate a minimum of 15% energy savings. SJG recognizes the potential for NJCEP program incentives or measures to change as NJCEP implements changes to align with the anticipated Strategic Plan.</p>																				
Estimated Avoided Air Emissions	CO2 Emissions Reduction (tons): 42,346 SO2 Emissions Reduction (tons): 49 NOx Emissions Reduction (tons): 33																				
Anticipated Job Creation	The direct and indirect jobs to be created as a result of SJG's NJCEP Commercial programs are 23 jobs.																				

Exhibit A

Marketing Approach	SJG will work with NJCEP program administrators, as well as approved DI contractors, to promote this offering. Because SJG does not have access to the customers' electric usage information, SJG will also promote this program through local business groups and organizations, email and bill inserts directed to commercial customers, as well as other direct outreach efforts to this customer group. Dedicated commercial program information resides on our website and is also promoted by our marketing team.
Contractor Role	SJG will allow any contractor authorized to participate in these NJCEP programs to offer the SJG financing option to their customers for qualified NJCEP projects.

South Jersey Gas Company
 Energy Efficiency Program - 2018 Extension (EEP IV)
 Program Expenditures

	Residential Behavior	Residential Efficient Products	Residential Direct Install	Residential Weatherization	Residential Retrofit	C&I Engineered Solutions	NJCEP - Residential Programs	NJCEP - Commercial Programs	EM&V Cost	Total
Administration	\$ 90,989	\$ 286,677	\$ 207,234	\$ 166,196	\$ 344,064	\$ 763,549	\$ 234,482	\$ 2,093,192		\$ 2,093,192
Marketing and Sales	\$ 103,022	\$ 656,730	\$ 294,146	\$ 168,869	\$ 277,453	\$ 2,392,059	\$ 580,567	\$ 4,472,846		\$ 4,472,846
Contractor Training	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000		\$ 225,000
Incentives (Including Rebates, Loans, & Other Incentives)	\$ 3,591,900	\$ 7,645,635	\$ 3,208,651	\$ 4,692,103	\$ 3,616,523	\$ 44,681,901	\$ 4,676,969	\$ 72,113,682		\$ 72,113,682
Rebate Processing, Inspections, and Quality Control	\$ 35,580	\$ 93,202	\$ 75,977	\$ 59,295	\$ 118,689	\$ 212,570	\$ 106,876	\$ 702,188		\$ 702,188
Evaluation	\$ 18,954	\$ 43,263	\$ 39,113	\$ 33,098	\$ 62,187	\$ 91,109	\$ 72,337	\$ 1,335,637		\$ 1,335,637
Total Budget	\$ 3,840,444	\$ 8,950,506	\$ 3,825,121	\$ 5,119,561	\$ 4,418,917	\$ 48,141,189	\$ 5,671,231	\$ 1,335,637		\$ 81,302,607

South Jersey Gas Company
Energy Efficiency Tracker - 2018 Extension (EET IV)
Annual Revenue Requirements

	Nov 18 - Sept 19 Year 1	Oct 19 - Sept 20 Year 2	Oct 20 - Sept 21 Year 3	Oct 21 - Sept 22 Year 4	Oct 22 - Sept 23 Year 5
<u>DIRECT PROGRAM INVESTMENTS</u>					
Annual Investment	\$ 5,505,043	\$ 8,682,525	\$ 10,291,606	\$ 3,801,860	\$ 226,420
Cumulative Investment	\$ 5,505,043	\$ 14,187,568	\$ 24,479,175	\$ 28,281,035	\$ 28,507,454
Less Accumulated Amortization	\$ (307,122)	\$ (1,696,993)	\$ (4,437,569)	\$ (8,317,122)	\$ (12,376,138)
Less Accumulated Deferred Tax	\$ (1,461,136)	\$ (3,511,101)	\$ (5,633,695)	\$ (5,611,856)	\$ (4,534,513)
Net Investment	\$ 3,736,786	\$ 8,979,474	\$ 14,407,910	\$ 14,352,057	\$ 11,596,803
Rate of Return (Pre Tax)	8.77%	8.77%	8.77%	8.77%	8.77%
Required Net Operating Income (Based on Avg. Annual Investment)	\$ 158,544	\$ 599,066	\$ 1,070,999	\$ 1,322,151	\$ 1,129,591
Incremental O&M Pre Tax	\$ 1,258,346	\$ 1,548,658	\$ 1,543,135	\$ 385,238	\$ -
Pre Tax Amortization	\$ 307,122	\$ 1,389,871	\$ 2,740,576	\$ 3,879,553	\$ 4,059,016
Operating Income	\$ 1,724,012	\$ 3,537,596	\$ 5,354,710	\$ 5,586,942	\$ 5,188,607
Revenue Factor	1.09034	1.09034	1.09034	1.09034	1.09034
Revenue Requirement	\$ 1,879,758	\$ 3,857,179	\$ 5,838,448	\$ 6,091,660	\$ 5,657,340
Revenue Requirement Excluding SUT	\$ 1,762,961	\$ 3,617,518	\$ 5,475,684	\$ 5,713,163	\$ 5,305,829
<u>LOAN PROGRAM INVESTMENTS</u>					
Annual Investment	\$ 10,900,000	\$ 18,819,800	\$ 13,302,157	\$ 584,272	\$ -
Less Loan Repayments	\$ (442,370)	\$ (2,006,561)	\$ (4,065,667)	\$ (5,804,408)	\$ (6,058,068)
Net Investment	\$ 10,457,630	\$ 16,813,239	\$ 9,236,490	\$ (5,220,136)	\$ (6,058,068)
Cumulative Investment	\$ 10,457,630	\$ 27,270,869	\$ 36,507,359	\$ 31,287,223	\$ 25,229,155
Rate of Return (Pre Tax)	8.77%	8.77%	8.77%	8.77%	8.77%
Required Net Operating Income (Based on Avg. Annual Investment)	\$ 386,489	\$ 1,715,707	\$ 3,038,298	\$ 2,957,349	\$ 2,456,791
Incremental O&M Pre Tax	\$ 1,283,983	\$ 1,447,226	\$ 1,381,234	\$ 341,107	\$ -
Operating Income	\$ 1,670,472	\$ 3,162,933	\$ 4,419,532	\$ 3,298,456	\$ 2,456,791
Revenue Factor	1.09034	1.09034	1.09034	1.09034	1.09034
Revenue Requirement	\$ 1,821,381	\$ 3,448,669	\$ 4,818,788	\$ 3,596,435	\$ 2,678,735
Revenue Requirement Excluding SUT	\$ 1,708,212	\$ 3,234,391	\$ 4,519,379	\$ 3,372,975	\$ 2,512,295
<u>RATE CALCULATION</u>					
Revenue Requirement For Direct Investments Excluding Taxes	\$ 1,762,961	\$ 3,617,518	\$ 5,475,684	\$ 5,713,163	\$ 5,305,829
Revenue Requirement For Loans Programs Excluding Taxes	\$ 1,708,212	\$ 3,234,391	\$ 4,519,379	\$ 3,372,975	\$ 2,512,295
Prior Year (Over)/Under Recovered Deferred Balance Including Carrying Costs	\$ -	\$ (8,272)	\$ (10,360)	\$ (11,921)	\$ (1,894)
Total Revenue Requirements	\$ 3,471,174	\$ 6,843,636	\$ 9,984,703	\$ 9,074,217	\$ 7,816,231
Therms	455,949,518	482,775,535	482,775,535	482,775,535	482,775,535
Rate Per Therm, Excluding SUT	\$ 0.007613	\$ 0.014176	\$ 0.020682	\$ 0.018796	\$ 0.016190
Rate Per Therm, Including SUT	\$ 0.008117	\$ 0.015115	\$ 0.022052	\$ 0.020041	\$ 0.017263
<u>Annual Bill Impact</u>					
Residential Non Heat (210 Therms)	\$ 1.70	\$ 1.47	\$ 1.46	\$ (0.42)	\$ (0.59)
Residential Heat (727 Therms)	\$ 5.90	\$ 5.08	\$ 5.05	\$ (1.47)	\$ (2.02)
General Service (3,595 Therms)	\$ 29.18	\$ 25.15	\$ 24.94	\$ (7.23)	\$ (9.98)
General Service - Large Volume (178,885 Therms)	\$ 1,452.01	\$ 1,251.84	\$ 1,240.93	\$ (359.74)	\$ (496.94)

South Jersey Gas Company
Energy Efficiency Tracker - 2018 Extension (EET IV)
Annual Revenue Requirements

	<u>Oct 23 - Sept 24</u> Year 6	<u>Oct 24 - Sept 25</u> Year 7	<u>Oct 25 - Sept 26</u> Year 8	<u>Oct 26 - Sept 27</u> Year 9	<u>Oct 27 - Sept 28</u> Year 10
<u>DIRECT PROGRAM INVESTMENTS</u>					
Annual Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Investment	\$ 28,507,454	\$ 28,507,454	\$ 28,507,454	\$ 28,507,454	\$ 28,507,454
Less Accumulated Amortization	\$ (16,448,632)	\$ (20,521,125)	\$ (24,286,497)	\$ (26,969,119)	\$ (28,301,037)
Less Accumulated Deferred Tax	\$ (3,389,735)	\$ (2,244,957)	\$ (1,186,511)	\$ (432,426)	\$ (58,024)
Net Investment	\$ 8,669,088	\$ 5,741,372	\$ 3,034,446	\$ 1,105,909	\$ 148,394
Rate of Return (Pre Tax)	8.77%	8.77%	8.77%	8.77%	8.77%
Required Net Operating Income (Based on Avg. Annual Investment)	\$ 877,782	\$ 621,074	\$ 370,254	\$ 167,469	\$ 43,269
Incremental O&M Pre Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Pre Tax Amortization	\$ 4,072,493	\$ 4,072,493	\$ 3,765,371	\$ 2,682,622	\$ 1,331,918
Operating Income	\$ 4,950,275	\$ 4,693,567	\$ 4,135,625	\$ 2,850,092	\$ 1,375,187
Revenue Factor	1.09034	1.09034	1.09034	1.09034	1.09034
Revenue Requirement	\$ 5,397,478	\$ 5,117,579	\$ 4,509,233	\$ 3,107,566	\$ 1,499,420
Revenue Requirement Excluding SUT	\$ 5,062,113	\$ 4,799,605	\$ 4,229,058	\$ 2,914,481	\$ 1,406,255
<u>LOAN PROGRAM INVESTMENTS</u>					
Annual Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Less Loan Repayments	\$ (6,068,465)	\$ (5,937,669)	\$ (5,594,776)	\$ (4,555,560)	\$ (2,732,224)
Net Investment	\$ (6,068,465)	\$ (5,937,669)	\$ (5,594,776)	\$ (4,555,560)	\$ (2,732,224)
Cumulative Investment	\$ 19,160,690	\$ 13,223,021	\$ 7,628,245	\$ 3,072,685	\$ 340,461
Rate of Return (Pre Tax)	8.77%	8.77%	8.77%	8.77%	8.77%
Required Net Operating Income (Based on Avg. Annual Investment)	\$ 1,923,172	\$ 1,396,851	\$ 888,702	\$ 441,037	\$ 124,792
Incremental O&M Pre Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Income	\$ 1,923,172	\$ 1,396,851	\$ 888,702	\$ 441,037	\$ 124,792
Revenue Factor	1.0903	1.0903	1.0903	1.0903	1.0903
Revenue Requirement	\$ 2,096,910	\$ 1,523,041	\$ 968,986	\$ 480,879	\$ 136,066
Revenue Requirement Excluding SUT	\$ 1,966,621	\$ 1,428,409	\$ 908,780	\$ 451,001	\$ 127,611
<u>RATE CALCULATION</u>					
Revenue Requirement For Direct Investments Excluding Taxes	\$ 5,062,113	\$ 4,799,605	\$ 4,229,058	\$ 2,914,481	\$ 1,406,255
Revenue Requirement For Loans Programs Excluding Taxes	\$ 1,966,621	\$ 1,428,409	\$ 908,780	\$ 451,001	\$ 127,611
Prior Year (Over)/Under Recovered Deferred Balance Including Carrying Costs	\$ (4,722)	\$ (4,031)	\$ (3,510)	\$ (1,454)	\$ 391
Total Revenue Requirements	\$ 7,024,012	\$ 6,223,983	\$ 5,134,327	\$ 3,364,028	\$ 1,534,258
Therms	482,775,535	482,775,535	482,775,535	482,775,535	482,775,535
Rate Per Therm, Excluding SUT	\$ 0.014549	\$ 0.012892	\$ 0.010635	\$ 0.006968	\$ 0.003178
Rate Per Therm, Including SUT	\$ 0.015513	\$ 0.013746	\$ 0.011340	\$ 0.007430	\$ 0.003389
<u>Annual Bill Impact</u>					
Residential Non Heat (210 Therms)	\$ (0.36)	\$ (0.38)	\$ (0.50)	\$ (0.82)	\$ (0.85)
Residential Heat (727 Therms)	\$ (1.27)	\$ (1.28)	\$ (1.75)	\$ (2.84)	\$ (2.94)
General Service (3,595 Therms)	\$ (6.30)	\$ (6.35)	\$ (8.65)	\$ (14.05)	\$ (14.53)
General Service - Large Volume (178,885 Therms)	\$ (313.05)	\$ (316.09)	\$ (430.40)	\$ (699.44)	\$ (722.88)

South Jersey Gas Company
Energy Efficiency Tracker - 2018 Extension (EET IV)
Annual Revenue Requirements

	Oct 28 - Sept 29 Year 11	Oct 29 - Sept 30 Year 12	Oct 30 - Sept 31 Year 13	Oct 31 - Sept 32 Year 14	Oct 32 - Sept 33 Year 15
<u>DIRECT PROGRAM INVESTMENTS</u>					
Annual Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Investment	\$ 28,507,454	\$ 28,507,454	\$ 28,507,454	\$ 28,507,454	\$ 28,507,454
Less Accumulated Amortization	\$ (28,493,977)	\$ (28,507,454)	\$ (28,507,454)	\$ (28,507,454)	\$ (28,507,454)
Less Accumulated Deferred Tax	\$ (3,788)	\$ 0	\$ 0	\$ 0	\$ 0
Net Investment	\$ 9,689	\$ (0)	\$ (0)	\$ (0)	\$ (0)
Rate of Return (Pre Tax)	8.77%	8.77%	8.77%	8.77%	8.77%
Required Net Operating Income (Based on Avg. Annual Investment)	\$ 3,885	\$ 142	\$ (0)	\$ (0)	\$ (0)
Incremental O&M Pre Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Pre Tax Amortization	\$ 192,940	\$ 13,477	\$ -	\$ -	\$ -
Operating Income	\$ 196,825	\$ 13,619	\$ (0)	\$ (0)	\$ (0)
Revenue Factor	1.09034	1.09034	1.09034	1.09034	1.09034
Revenue Requirement	\$ 214,606	\$ 14,849	\$ (0)	\$ (0)	\$ (0)
Revenue Requirement Excluding SUT	\$ 201,272	\$ 13,927	\$ (0)	\$ (0)	\$ (0)
<u>LOAN PROGRAM INVESTMENTS</u>					
Annual Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Less Loan Repayments	\$ (1,013,229)	\$ (143,788)	\$ (47,671)	\$ (1,934)	\$ 0
Net Investment	\$ (1,013,229)	\$ (143,788)	\$ (47,671)	\$ (1,934)	\$ 0
Cumulative Investment	\$ (672,767)	\$ (816,556)	\$ (864,226)	\$ (866,160)	\$ 0
Rate of Return (Pre Tax)	8.77%	8.77%	8.77%	8.77%	8.77%
Required Net Operating Income (Based on Avg. Annual Investment)	\$ (27,845)	\$ (67,525)	\$ (74,343)	\$ (12,653)	\$ 0
Incremental O&M Pre Tax	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Income	\$ (27,845)	\$ (67,525)	\$ (74,343)	\$ (12,653)	\$ 0
Revenue Factor	1.0903	1.0903	1.0903	1.0903	1.0903
Revenue Requirement	\$ (30,361)	\$ (73,625)	\$ (81,059)	\$ (13,796)	\$ 0
Revenue Requirement Excluding SUT	\$ (28,474)	\$ (69,050)	\$ (76,022)	\$ (12,939)	\$ 0
<u>RATE CALCULATION</u>					
Revenue Requirement For Direct Investments Excluding Taxes	\$ 201,272	\$ 13,927	\$ (0)	\$ (0)	\$ (0)
Revenue Requirement For Loans Programs Excluding Taxes	\$ (28,474)	\$ (69,050)	\$ (76,022)	\$ (12,939)	\$ 0
Prior Year (Over)/Under Recovered Deferred Balance Including Carrying Costs	\$ 1,713	\$ 994	\$ 79	\$ -	\$ -
Total Revenue Requirements	\$ 174,511	\$ (54,129)	\$ (75,943)	\$ (12,939)	\$ (0)
Therms	482,775,535	482,775,535	482,775,535	482,775,535	482,775,535
Rate Per Therm, Excluding SUT	\$ 0.000361	\$ (0.000112)	\$ (0.000157)	\$ (0.000027)	\$ -
Rate Per Therm, Including SUT	\$ 0.000385	\$ (0.000119)	\$ (0.000167)	\$ (0.000029)	\$ -
<u>Annual Bill Impact</u>					
Residential Non Heat (210 Therms)	\$ (0.63)	\$ (0.11)	\$ (0.01)	\$ 0.03	\$ 0.01
Residential Heat (727 Therms)	\$ (2.18)	\$ (0.37)	\$ (0.03)	\$ 0.10	\$ 0.02
General Service (3,595 Therms)	\$ (10.80)	\$ (1.81)	\$ (0.17)	\$ 0.50	\$ 0.10
General Service - Large Volume (178,885 Therms)	\$ (537.37)	\$ (90.16)	\$ (8.58)	\$ 24.68	\$ 5.19

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Sixth Revised Sheet No. 6
Superseding Fifth Revised Sheet No. 6**

RESIDENTIAL SERVICE (RSG)

APPLICABLE TO USE OF SERVICE FOR:

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

CHARACTER OF SERVICE Firm Sales Service and Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:		\$10.129375 per month
Delivery Charge:		
(a)	Residential Non-Heating Customers Firm Sales Service and Firm Transportation Service	\$.688238680121 per therm
(b)	Residential Heating Customers Firm Sales Service and Firm Transportation Service	\$.814931806814 per therm
Basic Gas Supply Service ("BGSS") Charge:		
	All consumption for customers who elect Firm Sales Service.	See Rider "A" of this Tariff.

APPLICABLE RIDERS:

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

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

Issued March 27, 2018
by South Jersey Gas Company,
D. Robbins, Jr., President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. GO18030350 of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Sixth Revised Sheet No. 10
Superseding Fifth Revised Sheet No. 10**

GENERAL SERVICE (GSG)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule. A customer qualifying for service under Rate Schedule GSG may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$31.955513 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service \$.695901687784 per therm

Basic Gas Supply Service ("BGSS") Charge:

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

LINE LOSS:

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

APPLICABLE RIDERS:

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

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

Issued March 27, 2018
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D. Robbins, Jr., President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Sixth Revised Sheet No. 14
Superseding Fifth Revised Sheet No. 14**

GENERAL SERVICE – LARGE VOLUME (GSG-LV)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule (other than Rate Schedule GSG), and who has an annualized usage of 100,000 therms or more,. A customer qualifying for service under Rate Schedule GSG-LV may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG-LV, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$159.937500 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service⁽²⁾

Demand Charge:

D-1FT: \$10.245170 per Mcf of Contract Demand

Volumetric Charge:

\$.416501408384 per therm

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect
Firm Sales Service

See Rider "A" of this Tariff.

LINE LOSS:

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

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

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

Issued March 27, 2018
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D. Robbins, Jr., President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Sixth Revised Sheet No. 18
Superseding Fifth Revised Sheet No. 18**

COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

APPLICABLE TO USE OF SERVICE FOR:

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

CHARACTER OF SERVICE:

Firm Transportation Service and Limited Firm Transportation Service

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge: \$639.750000 per month

Delivery Charges:

Demand Charge: D-1FT: \$30.553927 per Mcf of Contract Demand

Volumetric Charges:

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service per therm \$145229437112

Limited Firm:

Customer Charge: \$106.625000 per month

Delivery Charges:

Volumetric Charges:

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service per therm \$141607433490

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

Issued March 27, 2018
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D. Robbins, Jr., President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Sixth Revised Sheet No. 25
Superseding Fifth Revised Sheet No. 25**

LARGE VOLUME SERVICE (LVS)

APPLICABLE TO USE OF SERVICE FOR:

Firm Sales Service and Firm Transportation Service pursuant to this Rate Schedule LVS, shall be available to all Industrial Customers with a Contract Demand and a minimum annualized average use of 200 Mcf per day. To be eligible for Firm Transportation Service under this Rate Schedule LVS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

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

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge:

\$959.625000 per month

Delivery Charge:

Firm Sales Service and Firm Transportation Service

Demand Charge:

D-1FT: \$17.016071 per Mcf of Contract Demand

Volumetric Charge:

\$.129503424386 per therm

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: \$15.007637 per Mcf of Contract Demand.

Volumetric Charge:

See Rider "A" of this Tariff.

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

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D. Robbins, Jr., President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifth Revised Sheet No. 26
Superseding Fourth Revised Sheet No. 26**

**LARGE VOLUME SERVICE (LVS)
(Continued)**

Limited Firm:

Customer Charge:

\$106.625000 per month

Delivery Charge:

Firm Sales Service and Firm Transportation

Volumetric Charge:

\$.209575201458 per therm

Basic Gas Supply Service ("BGSS") Charge:

Applicable to customers who elect Firm Sales Service

Volumetric Charge:

See Rider "A" of this Tariff.

PRICE TO COMPARE:

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

LINE LOSS:

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

MINIMUM BILL:

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

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Effective with service rendered
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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifth Revised Sheet No. 31
Superseding Fourth Revised Sheet No. 31**

FIRM ELECTRIC SERVICE (FES)

APPLICABLE TO USE OF SERVICE FOR:

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

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service.

MONTHLY RATE ⁽¹⁾ ⁽²⁾

WINTER (November – March):

Demand Charge:

- D-1 \$3.089100 per Mcf of Winter Daily Contract Demand
- D-2 \$7.503819 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.092350084233 per therm of consumption
 - C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
 - C-3: \$.173700 per therm of consumption
 - C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.
- Minimum Bill:** The monthly D-1 and D-2 charges, irrespective of use.

SUMMER (April – October):

Demand Charge:

- D-1 \$3.089100 per Mcf of Summer Daily Contract Demand
- D-2 \$7.503819 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.092350084233 per therm of consumption
- C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
- C-3: \$.173700 per therm of consumption
- C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.

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

⁽²⁾ Please refer to Special Provision (p)

Issued March 27, 2018
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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Sixth Revised Sheet No. 38
Superseding Fifth Revised Sheet No. 38**

ELECTRIC GENERATION SERVICE (EGS)

APPLICABLE TO USE OF SERVICE FOR:

Residential, commercial and industrial uses for electric generation facilities (excluding back-up generator equipment); all Prime Movers; and all engine driven equipment (whether or not used for electric generation). Provided, however, that in order to be eligible for this Rate Schedule EGS, a customer must have a Firm Daily Contract Demand of less than 200 Mcf per day; provided, however, that a residential EGS customer will have no Firm Daily Contract Demand. To be eligible for Firm Transportation Service under this Rate Schedule EGS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service

MONTHLY RATE: ⁽¹⁾⁽²⁾

Residential Customer Charge:

\$10.662500 per month

Residential Delivery Charge

Residential Volumetric Charge: \$256124248007 per therm

Commercial and Industrial Customer Charge:

\$67.578925 per month

Commercial and Industrial Delivery Charge:

Commercial and Industrial Demand Charge:

D-1 Charge: \$8.362812 per Mcf of contract

Volumetric Charges:

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

All Consumption for Firm Sales Service and Firm Transportation Service

\$251451243334 per therm

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

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

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D. Robbins, Jr., President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Sixth Revised Sheet No. 39
Superseding Fifth Revised Sheet No. 39**

**ELECTRIC GENERATION SERVICE (EGS)
(Continued)**

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

All Consumption for Firm Sales Service and Firm Transportation Service

\$219463211346 per therm

Basic Gas Supply Service ("BGSS") Charge:

Applicable to customers who elect Firm Sales Service

See Rider "A" of this Tariff.

LINE LOSS:

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

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider "A" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
2017 Tax Act	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "H" of this Tariff.
Balancing Service Clause	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "J" of this Tariff. However, also see Special Provision (k) regarding Rider "I".
Energy Efficiency Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

TERMS OF PAYMENT:

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

Issued March 27, 2018
by South Jersey Gas Company,
D. Robbins, Jr., President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Sixth Revised Sheet No. 43
Superseding Fifth Revised Sheet No. 43**

ELECTRIC GENERATION SERVICE – LARGE VOLUME (EGS-LV)

APPLICABLE TO USE OF SERVICE FOR:

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

CHARACTER OF SERVICE:

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

MONTHLY RATE: ⁽¹⁾

Customer Charge:
\$456.696200 per month

FIRM:

Demand Charges: ⁽²⁾

D-1 \$23.956685 per Mcf of Firm Daily Contract Demand.
D-2 \$15.437520 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge:

C-1: \$.079307071190 per therm of consumption
C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR Customer Owned Gas Clause, Rider "D"

Minimum Bill: Monthly D-1 and D-2 charges, irrespective of use.

LIMITED FIRM:

Demand Charge:

D-2 \$7.503819 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

Volumetric Charge: ⁽²⁾

C-1: \$.079307071190 per therm of consumption
C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR Customer Owned Gas Clause, Rider "D"
C-3 \$.173700 per therm for all consumption within Limited Firm Contract Demand level.¹

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

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

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D. Robbins, Jr., President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Sixth Revised Sheet No. 60
Superseding Fifth Revised Sheet No. 60**

NATURAL GAS VEHICLE (NGV)

APPLICABLE TO:

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

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service

COMPRESSED NATURAL GAS VEHICLE SERVICE AT COMPANY OPERATED FUELING STATIONS

This part of the service is available for refueling vehicles with compressed natural gas to customers who refuel at Company operated fueling stations. All service at Company operated fueling stations shall be Firm Sales Service. Provided, however, that in the Company's sole discretion, it may allow for Firm Transportation service for a Customer-specific dedicated dispenser or time fill system (separately metered) at a Company operated fueling station.

Rate for Monthly Consumption

Volumetric Charge

C-1: \$0.079307071190 per therm (~~\$0.099134088988~~ GGE*)

Distribution Charge: \$0.202262 per therm (\$0.252828 GGE*)

Compression Charge: \$0.586530 per therm (\$0.733163 GGE*)

Commodity Charges

All consumption for customers who elected Firm Sales Service

Basic Gas Supply Service ("BGSS") Charge:

See Rider "A" of this Tariff.
BGSS rate * GGE Factor 1.25 = GGE

GGE indicates Gasoline Gallon Equivalent. The gasoline gallon equivalent shall be determined in accordance with local standards. The point of sale price to the Customer shall be displayed in gasoline gallon equivalents at public access dispensers at Company operated fueling stations, and shall be calculated as C-1 + Distribution Charge + Compression Charge + New Jersey Motor Vehicle Fuel Tax + Federal Excise Tax + BGSS.

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

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D. Robbins, Jr., President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

Seventh Revised Sheet No. 61
Superseding Sixth Revised Sheet No. 61

NATURAL GAS VEHICLE (NGV)
(Continued)

NATURAL GAS VEHICLE SERVICE AT CUSTOMER OPERATED FUELING STATIONS

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

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

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

The customer must execute a Standard Gas Service Agreement (NGV) for not less than 12 months and must produce evidence of Land Rights.

Rate for Monthly Consumption

Monthly Customer Charge

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

0-999 Cf/hour	\$39.984400
1,000-4,999 Cf/hour	\$79.968800
5,000-24,999 Cf/hour	\$213.250000
25,000 and greater Cf/hour	\$750.074888

Volumetric Charges

C-1: ~~\$0.079307071190~~ per therm (~~\$0.099134088988~~ GGE)

Distribution Charge: \$0.202262 per therm (\$0.252828 GGE)

Basic Gas Supply Service ("BGSS") Charge:

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

Facilities Charge

All consumption for Customers that elect to have the Company construct Compressed Natural Gas ("CNG") fueling facilities located on Customer's property:

C-2: \$0.345653 (\$0.432066 GGE)

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

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D. Robbins, Jr., President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 – GAS

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

**NATURAL GAS VEHICLE (NGV)
(Continued)**

DELIVERY SERVICE FOR NATURAL GAS VEHICLES

This part of service is available for delivery of customer owned natural gas for use in compression and dispensing equipment at the Customer's premises, as follows:

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

By taking service under this part, the Customer warrants that it has good and legal title to all gas supplied to the Company, and agrees to indemnify, defend and hold the Company harmless from any loss, claims or damages in regard to such title.

Rate for Delivery Service

Monthly Customer Charge

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

0-999 Cf/hour	\$39.984400
1,000-4,999 Cf/hour	\$79.968800
5,000-24,999 Cf/hour	\$213.250000
25,000 and greater Cf/hour	\$750.074888

Volumetric Charge

C-1: ~~\$0.079307071190~~ per therm (~~\$0.099134088988~~ GGE)

Distribution Charge: \$0.202262 per therm (\$0.252828 GGE)

Facilities Charge

All consumption for Customers that elect to have the Company construct CNG fueling facilities located on Customer's property:

C-2: \$0.345653 per therm (\$0.432066 GGE)

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

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D. Robbins, Jr., President

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SOUTH JERSEY GAS COMPANY

Third Revised Sheet No. 105

B.P.U.N.J. No. 12 - GAS

Superseding Second Revised Sheet No. 105

**RIDER "N"
ENERGY EFFICIENCY TRACKER ("EET")**

APPLICABLE TO:

Rate Schedule RSG	-	Residential
Rate Schedule GSG	-	General Service
Rate Schedule GSG-LV	-	General Service- Large Volume
Rate Schedule CTS	-	Comprehensive Transportation Service
Rate Schedule LVS	-	Large Volume Service
Rate Schedule FES	-	Firm Electric Service
Rate Schedule EGS	-	Electric Generation Service
Rate Schedule EGS-LV	-	Electric Generation Service- Large Volume
Rate Schedule IGS	-	Interruptible Gas Service
Rate Schedule ITS	-	Interruptible Transportation Service
Rate Schedule NGV	-	Natural Gas Vehicle

This Rider "N" shall be known as the Energy Efficiency Tracker ("EET"). For financial accounting purposes the Company shall record a return on and a return of investments in energy efficiency programs, as approved by the Board at Docket No. GO09010059, in an Order dated July 24, 2009, Docket No. GO12050363, in an Order dated June 21, 2003, and Docket No. GR15010090, in an Order dated August 19, 2015 and Docket No. GO18030350, in Order dated _____ and recover all incremental operating and maintenance expenses of the programs, subject to the EET. The calculation will use the weighted average cost of capital as identified in the respective Orders referenced above.

The EET rate will be calculated annually using projected data and subject to a true-up at the end of the EET year (September 30th) with simple interest on net over/under recoveries. Interest associated with over recoveries will be credited against the EET, while interest associated with under recoveries will be charged to the EET. The interest on monthly EET under and over recoveries shall be the interest rate based on the Company's weighted interest rate for the corresponding month obtained on its commercial paper and bank credit lines but shall not exceed the Company's weighted average cost of capital utilized to set rates in its most recent base rate case.

This EET will be effectuated through a volumetric rate applied to customers' bills. The Company shall make an annual EET rate filing in June of each year with a proposed implementation of the revised EET rate in October. Included in the filing will be a list of efficiency programs offered and eligible for recovery under the EET.

The Company shall have the discretion to implement a bill credit or a refund at any time during the EET Year with five (5) days notice to the BPU Staff and the Division of Rate Counsel. The Company shall have the discretion to file a self-implementing EET rate reduction at any time with two (2) weeks notice to the BPU Staff and the Division of Rate Counsel.

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

	<u>EET True-UP</u>	<u>EET IV</u>	<u>Tariff Rate</u>
EET Rate per therm	\$0.008557	\$0.007594	\$0.016151
Applicable Revenue Tax	\$0.000019	\$0.000019	\$0.000038
Total EET Rate per therm	\$0.008576	\$0.007613	\$0.016189
Applicable NJ Sales Tax	\$0.000568	\$0.000504	\$0.001072
EET Rate per therm with NJ Sales Tax	\$0.009144	\$0.008117	\$0.017261

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

<u>RESIDENTIAL GAS SERVICE (RSG) - NONHEAT CUSTOMER</u>	<u>RIDER</u>	<u>RATE</u>	<u>PVA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		9.500000		0.629375	10.129375
DELIVERY CHARGE (per therm):					
Base Rate		0.651332		0.043151	0.694483
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
Total SBC					
CIP	M	(0.113175)	(0.000284)	(0.007517)	(0.120976)
EET	N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
TOTAL DELIVERY CHARGE		0.645577	(0.000061)	0.042722	0.688238
BGSS: (Applicable To Sales Customers Only)	A	0.528285	0.001323	0.035087	0.564695

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<u>RESIDENTIAL GAS SERVICE (RSG) - HEAT CUSTOMER</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE					
DELIVERY CHARGE (per therm):					
Base Rate		9.500000		0.629375	10.129375
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
Total SBC					
CIP	M	0.005349	0.000013	0.000355	0.005717
EET	N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.764101	0.000236	0.050594	0.814931
BGSS: (Applicable To Sales Customers Only)	A	0.528285	0.001323	0.035087	0.564695

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<u>GENERAL SERVICE (GSG)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		29.970000		1.965513	31.955513
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.545083		0.036112	0.581195
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
Total SBC		(0.000024)	0.000000	(0.000002)	(0.000026)
CIP	M	0.016151	0.000038	0.001072	0.017261
EET	N	(0.012202)	(0.000031)	(0.000810)	(0.013043)
2017 Tax Act	J	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1	J				Rate Set Monthly
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)					
Total Delivery Charge		0.652479	0.000223	0.043198	0.695901
<u>BGSS: (Applicable To Sales Customers Only using less than 5,000 therms annually)</u>	A	0.528285	0.001323	0.035087	0.564695
<u>BGSS: (Applicable To Sales Customers Only using 5,000 therms annually or greater)</u>	A				RATE SET MONTHLY

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	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
GENERAL SERVICE-LV (GSG-LV)					
CUSTOMER CHARGE		150.000000		9.937500	159.937500
D-1 Demand Charge (Mcf)		9.608600		0.636570	10.245170
DELIVERY CHARGE (per therm):					
Base Rate		0.272157		0.018030	0.290187
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
Total SBC					
CIP	M	0.010836	0.000027	0.000720	0.011583
EET	N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.390413	0.000250	0.025638	0.416501
BGSS: (Applicable Sales Customers Only)	A				RATE SET MONTHLY

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<u>COMPREHENSIVE TRANSPORTATION SERVICE (CTS)</u>		<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
FIRM						
CUSTOMER CHARGE						
D-1 Demand Charge (Mcft)			600.000000		39.750000	639.750000
DELIVERY CHARGE (per therm):			28.655500		1.898427	30.553927
Base Rate			0.061826		0.004096	0.065922
SBC:						
RAC		E, G	0.032415	0.000071	0.002152	0.034639
CLEP		E, K	0.028215	0.000062	0.001873	0.030150
USF		E	0.009700	0.000000	0.000600	0.010300
	Total SBC		0.070330	0.000133	0.004625	0.075089
EET		N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act		H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
	Total Delivery Charge		0.136105	0.000140	0.008983	0.145229
Balancing Service Charge BS-1		I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision)		I	0.002876	0.000007	0.000191	0.003074
BUY-OUT PRICE						RATE SET MONTHLY
LIMITED FIRM						
CUSTOMER CHARGE						
DELIVERY CHARGE (per therm):			100.000000		6.625000	106.625000
Base Rate			0.058400		0.003900	0.062300
SBC:						
RAC		E, G	0.032415	0.000071	0.002152	0.034639
CLEP		E, K	0.028215	0.000062	0.001873	0.030150
USF		E	0.009700	0.000000	0.000600	0.010300
	Total SBC		0.070330	0.000133	0.004625	0.075089
EET		N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act		H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
	Total Delivery Charge		0.132679	0.000140	0.008787	0.141607
Balancing Service Charge BS-1		I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision)		I	0.002876	0.000007	0.000191	0.003074
BUY-OUT PRICE						RATE SET MONTHLY

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	RIDER	RATE	PUA	NJ SALES TAX	TARIFF RATE
LARGE VOLUME SERVICE (LVS)					
FIRM CUSTOMER CHARGE		900.000000		59.625000	959.625000
D-1 Demand Charge (Mcf)		15.958800		1.057271	17.016071
D-2 DEMAND BGSS (Applicable to Sales Customers Only)	A	14.039988	0.035170	0.932479	15.007637
DELIVERY CHARGE (per therm):		0.047077		0.003119	0.050196
Base Rate					
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
Total SBC					
EET	N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Total Delivery Charge		0.121356	0.000140	0.008006	0.129503
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002875	0.000007	0.000191	0.003074
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable Transportation Customers Only)	I				RATE SET MONTHLY
BGSS: (Applicable Sales Customers Only)	A				RATE SET MONTHLY
LIMITED FIRM CUSTOMER CHARGE		100.000000		6.625000	106.625000
DELIVERY CHARGE (per therm):		0.122174		0.008094	0.130268
Base Rate					
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
Total SBC					
EET	N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Total Delivery Charge		0.196453	0.000140	0.012981	0.209575
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002875	0.000007	0.000191	0.003074
BUY-OUT PRICE	I				RATE SET MONTHLY

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<u>FIRM ELECTRIC SALES (FES)</u>		RIDER	RATE	PUA	NJ SALES TAX	TARIFF RATE
WINTER						
<u>D-1 DEMAND (MCF)</u> (Rate is negotiated. Shown here is the benchmark rate.)			2.897200		0.191900	3.089100
<u>D-2 DEMAND (MCF)</u> (Applicable to Sales Customers Only)		A	7.019994	0.017585	0.466240	7.503819
DELIVERY CHARGE (per therm):						
SBC:						
RAC		E, G	0.032415	0.000071	0.002152	0.034639
CLEP		E, K	0.028215	0.000062	0.001873	0.030150
USF		E	0.009700	0.000000	0.000600	0.010300
	Total SBC		0.070330	0.000133	0.004625	0.075039
EET		N	0.016151	0.000038	0.001072	0.017261
	Total Delivery Charge		0.086481	0.000171	0.005697	0.092350
			0.162900	0.010800		0.173700
C-3 All Therms. (Rate is negotiated. Shown here is the benchmark rate.)						
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)						
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)						
BGSS: (Applicable To Sales Customers Only)						
RATE SET MONTHLY						
RATE SET MONTHLY						
RATE SET MONTHLY						
SUMMER						
<u>D-1 DEMAND (MCF)</u> (Rate is negotiated. Shown here is the benchmark rate.)			2.897200		0.191900	3.089100
<u>D-2 DEMAND (MCF)</u> (Applicable to Sales Customers Only)		A	7.019994	0.017585	0.466240	7.503819
SBC:						
RAC		E, G	0.032415	0.000071	0.002152	0.034639
CLEP		E, K	0.028215	0.000062	0.001873	0.030150
USF		E	0.009700	0.000000	0.000600	0.010300
EET		N	0.016151	0.000038	0.001072	0.017261
	Total Delivery Charge		0.086481	0.000171	0.005697	0.092350
			0.162900	0.010800		0.173700
C-3 All Therms. (Rate is negotiated. Shown here is the benchmark rate.)						
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)						
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)						
BGSS: (Applicable To Sales Customers Only)						
RATE SET MONTHLY						
RATE SET MONTHLY						
RATE SET MONTHLY						

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<u>ELECTRIC GENERATION SERVICE (EGS) - RESIDENTIAL</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		10.000000		0.662500	10.662500
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.134084		0.008883	0.142967
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
Total SBC					
EET	N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Balancing Service Charge BS-1	J	0.031688	0.000079	0.002103	0.033851
Total Delivery Charge		0.240031	0.000220	0.015873	0.256124
<u>BGSS: (Applicable To Sales Customers Only)</u>	A	0.528285	0.001323	0.035087	0.564695

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	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>ELECTRIC GENERATION SERVICE (EGS) - COMMERCIAL/INDUSTRIAL</u>					
<u>CUSTOMER CHARGE</u>		63.380000		4.198925	67.578925
<u>D-1 DEMAND (MCF)</u>		7.843200		0.519612	8.362812
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate - Winter Season (Nov - Mar)		0.129701		0.008593	0.138294
Base Rate - Summer Season (Apr - Oct)		0.099701		0.006605	0.106306
<u>SBC:</u>					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
		0.070330	0.000133	0.004625	0.075089
Total SBC					
EET	N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
<u>Total Delivery Charge - Winter Season</u>					
		0.235648	0.000220	0.015583	0.251451
<u>Total Delivery Charge - Summer Season</u>					
		0.205648	0.000220	0.013595	0.219463
<u>BGSS: (Applicable To Sales Customers Only)</u>					
	A				

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<u>ELECTRIC GENERATION SERVICE-LV (EGS-LV)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
FIRM		428.320000		28.376200	456.696200
CUSTOMER CHARGE					
D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)		22.468169		1.488516	23.956685
D-2 DEMAND BGSS (MCF) (Applicable to Sales Customers Only)	A	14.442153	0.036178	0.959189	15.437520
DELIVERY CHARGE (per therm):					
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
EET	N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Total Delivery Charge		0.074279	0.000140	0.004887	0.079307
Balancing Service Charge BS-1	I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002876	0.000007	0.000191	0.003074
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatoin Customers Only)	I				RATE SET MONTHLY
BGSS: (Applicable To Sales Customers Only)	A				RATE SET MONTHLY
LIMITED FIRM					
D-2 DEMAND BGSS (MCF) (Applicable to Sales Customers Only)	A	7.019994	0.017585	0.466240	7.503819
DELIVERY CHARGE (per therm):					
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
EET	N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Total Delivery Charge		0.074279	0.000140	0.004887	0.079307
Balancing Service Charge BS-1	I	0.162900	0.000000	0.010800	0.173700
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatoin Customers Only)	I	0.002876	0.000007	0.000191	0.003074
BGSS: (Applicable To Sales Customers Only)	A				RATE SET MONTHLY

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	RIDER	RATE	PUA	NJ SALES TAX	TARIFF RATE
YARD LIGHTING SERVICE (YLS)					
MONTHLY CHARGE / INSTALL		13.174380		0.872803	14.047183
STREET LIGHTING SERVICE (SLS)					
MONTHLY CHARGE / INSTALL		16.158837		1.070523	17.229360
INTERRUPTIBLE GAS SALES (IGS)					
Commodity					Rate Set Monthly
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
USF	E	0.009700	0.000000	0.000600	0.010300
		0.042115	0.000071	0.002752	0.044939
Total SBC:	N	0.016151	0.000038	0.001072	0.017261
EET					

<u>INTERRUPTIBLE TRANSPORTATION (ITS)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		100.000000		6.625000	106.625000
TRANSPORTATION CHARGE A		0.028400		0.001900	0.030300
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
Total SBC:					
EET	N	0.016151	0.000038	0.001072	0.017261
TRANSPORTATION CHARGE B		0.093200		0.006200	0.099400
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
Total SBC:					
EET	N	0.016151	0.000038	0.001072	0.017261
TRANSPORTATION CHARGE C		0.153200		0.010100	0.163300
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
Total SBC:					
EET	N	0.016151	0.000038	0.001072	0.017261

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	RATE	PJA	NJ SALES TAX	TARIFF RATE
<u>NATURAL GAS VEHICLE (NGV)</u>				
<u>COMPANY OPERATED FUELING STATIONS</u>				
<u>DELIVERY CHARGE (per therm):</u>				
SBC				
RAC	0.032415	0.000071	0.002152	0.034639
CLEP	0.028215	0.000062	0.001873	0.030150
USF	0.009700	0.000000	0.000600	0.010300
	0.070330	0.000133	0.004625	0.075089
Total SBC:				
EET	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Total Delivery Charge	0.074279	0.000140	0.004887	0.079307
	0.189221	0.000474	0.0125670	0.202262
	0.548712	0.001375	0.036443	0.586530
<u>DISTRIBUTION CHARGE</u>				
<u>COMPRESSION CHARGE</u>				
Balancing Service Charge BS-1	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable for Transportation Customers Only)	0.002876	0.000007	0.000191	0.003074
Balancing Service Charge BS-1	0.031668	0.000079	0.002103	0.033851
BGSS: (Applicable To Sales Customers Only)				
<u>CUSTOMER OPERATED FUELING STATIONS</u>				
<u>CUSTOMER CHARGE</u>				
	37.500000		2.484400	39.984400
0 - 999 CF/hour	75.000000		4.968800	79.968800
1,000 - 4,999 CF/hour	200.000000		13.250000	213.250000
5,000 - 24,999 CF/hour	703.470000		46.604888	750.074888
25,000 or Greater CF/hour				
Total SBC:				
E, K	0.032415	0.000071	0.002152	0.034639
E, G	0.028215	0.000062	0.001873	0.030150
E	0.009700	0.000000	0.000600	0.010300
	0.070330	0.000133	0.004625	0.075089
Total SBC:				
N	0.016151	0.000038	0.001072	0.017261
2017 Tax Act	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Total Delivery Charge	0.074279	0.000140	0.004887	0.079307
	0.189221	0.000474	0.012567	0.202262
	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1	0.002876	0.000007	0.000191	0.003074
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable for Transportation Customers Only)	0.031668	0.000079	0.002103	0.033851
BGSS: (Applicable To Sales Customers Only)				
Facilities Charge (Applicable only to Customers that elect the Company construct Compressed Natural Gas ("CNG") fueling Facilities located on Customer's property)				
	0.324176		0.021477	0.345653

RATE SET MONTHLY

RATE SET MONTHLY

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

Heat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.564695	0.000000	0.564695
Base Rate	0.694483	0.694483	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
CIP	0.005717	0.005717	0.000000
USF	0.010300	0.010300	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.017261	0.017261	0.000000
2017 Tax Act	(0.013043)	(0.013043)	0.000000
BSC "J" BS-1	0.033851	0.033851	0.000000
Price to Compare	1.379626	0.814931	0.564695

NonHeat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.564695	0.000000	0.564695
CIP	(0.120976)	(0.120976)	0.000000
Base Rate	0.694483	0.694483	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.010300	0.010300	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.017261	0.017261	0.000000
2017 Tax Act	(0.013043)	(0.013043)	0.000000
BSC "J" BS-1	0.033851	0.033851	0.000000
Price to Compare	1.252933	0.688238	0.564695

GSG
(Under 5,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.564695	0.000000	0.564695
CIP	(0.000026)	(0.000026)	0.000000
Base Rates	0.581195	0.581195	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.010300	0.010300	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.017261	0.017261	0.000000
2017 Tax Act	(0.013043)	(0.013043)	0.000000
BSC "J" BS-1	0.033851	0.033851	0.000000
Price to Compare	1.260596	0.695901	0.564695

GSG
(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.427864	0.000000	0.427864
CIP	(0.000026)	(0.000026)	0.000000
Base Rates	0.581195	0.581195	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.010300	0.010300	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.017261	0.017261	0.000000
2017 Tax Act	(0.013043)	(0.013043)	0.000000
BSC "J" BS-1	0.033851	0.033851	0.000000
Price to Compare	1.123765	0.695901	0.427864

GSG-LV

	Prior to 7/15/97		
	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.427864	0.000000	0.427864
CIP	0.011583	0.011583	0.000000
Base Rates	0.290187	0.290187	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.010300	0.010300	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.017261	0.017261	0.000000
2017 Tax Act	(0.013043)	(0.013043)	0.000000
BSC "J" BS-1	0.033851	0.033851	0.000000
Price to Compare	0.844365	0.416501	0.427864

Minimum Filing Requirements (“MFRs”)

1. Direct employment impacts, including a breakdown by sub-program.
2. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation.
3. For the review period, actual revenues, by month and by rate class recorded under the programs.
4. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period.
5. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate.
6. The interest expense to be charged or credited to ratepayers each month.
7. A schedule showing budgeted versus actual program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives, including inspections and quality control, program implementation (all contract costs), evaluation, and any other costs.
8. The monthly journal entries relating to regulatory asset and O&M expenses for the 12 month review period.
9. Supporting details for all administrative costs included in the revenue requirement.
10. Information supporting the carrying cost used for the unamortized costs.
11. Number of program participants, including a breakdown by sub-program.
12. Estimated demand and energy savings, including a breakdown by sub-program.
13. Emissions reductions from the Program, including a breakdown by sub-program.
14. Estimated free ridership and spillover.
15. Participant costs (net of utility incentives), including a breakdown by sub-program.

Exhibit F

16. Results of program evaluations, including a breakdown by sub-program.
17. For programs that provide incentives for conversion of energy utilization to natural gas from other energy sources (e.g., converting from electric to gas furnaces) the company shall identify:
 - i. the number of such projects;
 - ii. an estimate of the increase in annual gas demand and energy associated with these projects; and
 - iii. the avoided use of electricity and/or other fuels.