



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu](http://www.nj.gov/bpu)

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH )  
JERSEY GAS COMPANY TO CHANGE THE LEVEL OF )  
ITS SOCIETAL BENEFITS CHARGE ("SBC") AND ITS )  
TRANSPORTATION INITIATION CHARGE ("TIC") )  
DOCKET NO. GR09010091

IN THE MATTER OF THE PETITION OF SOUTH )  
JERSEY GAS COMPANY TO CHANGE THE LEVEL OF )  
ITS SOCIETAL BENEFITS CHARGE ("SBC") AND ITS )  
TRANSPORTATION INITIATION CHARGE ("TIC") )  
DOCKET NO. GR09080716

**Ira G. Megdal, Esq. and Daniel J. Bitonti, Esq.**, for South Jersey Gas Company  
**Stefanie A. Brand, Esq.**, Director New Jersey Division of Rate Counsel

BY THE BOARD:

**BACKGROUND**

On January 30, 2009 South Jersey Gas Company ("SJG" or "the Company") filed a Petition (Dkt. No. GR09010091) with the Board of Public Utilities to increase the annual level of its Societal Benefits Charge ("SBC") by \$7,875,158 and increase the annual levels of its Transportation Initiation Clause ("TIC") by \$77,000 ("January 2009 Petition"). The Company also filed a Petition (Docket No. GR09080716) on August 27, 2009, to change the level of its SBC and its TIC ("August 2009 Petition"). Representatives of SJG, Board Staff and the New Jersey Division of Rate Counsel have entered into a stipulation that results in an additional \$15.5 million in revenues to SJG. This Decision and Order for SBC Final Rates addresses both the filings.

The SBC is comprised of the Remediation Adjustment Clause ("RAC"), the Clean Energy Program ("CLEP"), the Universal Service Fund ("USF") and the Lifeline Program. The RAC allows the Company to adjust its rates to recover environmental remediation costs associated with the clean up of its former manufactured gas plant ("MGP") sites. The CLEP was created as a result of the Electric Discount and Energy Competition Act in an effort to promote both energy

efficiency and renewable energy programs.

The background to each of these proceedings is as follows:

**Docket No. GR09010091**

On January 30, 2009, SJG filed a petition which sought authorization to increase the annual level of its SBC by \$7,875,158 and to increase the annual level of its TIC by \$77,000 ("January 2009 Petition").

The January 2009 Petition proposed the following rate changes all on a per therm basis including applicable taxes: 1) increase the level of its RAC charge from \$0.0118 to \$0.0261; 2) decrease its CLEP charge from \$0.0129 to \$0.0124, and 3) increase its TIC rate from \$0.0002<sup>1</sup> to \$0.0004. SJG proposed to leave the USF and Lifeline rate components of the SBC unchanged. If approved as proposed, the rate changes in the January 2009 Petition would have resulted in a monthly bill increase of \$1.40 or 0.8% from \$166.34 to \$167.74 for a typical residential heating customer, using 100 therms of gas during a winter heating month.

**Docket No GR09080716**

On August 27, 2009, SJG filed a petition which sought authorization to increase its annual SBC revenue level by an additional \$15.4 million and to increase the annual level of its TIC Charge by an additional \$147,108 ("August 2009 Petition").

The August 2009 Petition proposed the following rate changes all on a per therm basis including applicable taxes: 1) to increase SJG's RAC rate to \$0.0349; 2) to increase SJG's CLEP rate to \$0.0173 and 3) to increase SJG's TIC rate to \$0.0006. The rate changes proposed in the August 2009 Petition would have resulted in a monthly bill increase for a typical residential heating customer, using 100 therms of gas during a winter heating month, from \$167.52 to \$170.31 which is an increase of \$2.79 or 1.7%.

Following a discovery process, the Company, Staff and Rate Counsel, the only parties to the proceedings (collectively know as "the Parties"), met to resolve the outstanding issues in Docket Nos. GR09010091 and GR09080716. Two public hearings were held relative to both cases. Both public hearings<sup>2</sup> were noticed in newspapers of general circulation within South Jersey's service territory. Several members of the public appeared and made statements on the record.

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<sup>1</sup> Page two of the Stipulation states that the TIC rate was \$0.0002 per therm including applicable taxes; however page three of the Stipulation states that the TIC rate was \$0.002 per therm including applicable taxes. To clarify, the correct TIC rate was \$0.0002 including applicable taxes.

<sup>2</sup>The stipulation states that one public hearing was held in Voorhees on February 23, 2010; however two public hearings were held in Voorhees on February 23, 2010.

### **Stipulation<sup>3</sup>**

The Parties executed a stipulation dated August 25, 2011 resolving the two dockets. The Parties agreed that 1) SJG's RAC rate should be set at \$0.0349 per therm including all applicable taxes and made final; 2) that SJG's CLEP rate should be set at \$0.0173 per therm including all applicable taxes and made final; and 3) SJG's TIC rate should be set at \$0.0006 per therm including all applicable taxes and made final. The Parties also agreed that the Company's manufactured gas plant remediation costs will remain subject to Board audit and that the company will continue to conduct an annual audit of the RAC to assess the validity of expenses being charged to the RAC. SJG represented that there are no pension costs or any Natural Resource Damage ("NRD") related MGP costs incurred during the time period set forth in the above noted petitions.

On September 1, 2011, Administrative Law Judge William T. Miller issued his Initial Decision approving the stipulation finding that the Parties have voluntarily agreed to the settlement as evidenced by signatures or their representative's signatures, and the settlement fully disposes of all issues in controversy and is consistent with the law.

The SBC rates and other changes set forth in this stipulation result in an increase of approximately \$2.79, or 1.67% per month, to the average residential heating customer using 100 therms of gas during a heating month. These new SBC rates will result in SJG recovering an additional \$15.5 million over current SJG SBC recoveries

### **DISCUSSION AND FINDINGS**

The Board, having carefully reviewed the attached Initial Decision and stipulation, HEREBY FINDS that, subject to the terms and conditions set forth below, the Initial Decision and the Stipulation are reasonable, in the public interest and in accordance with the law. Accordingly, the Board HEREBY ADOPTS the Initial Decision and stipulation in their entirety and HEREBY INCORPORATES their terms and conditions, as if fully set forth herein.

The Board HEREBY APPROVES on a final basis, all on a per therm basis, including all applicable taxes, the Company's implementation of the following: a RAC rate of \$0.0349; a CLEP rate of \$0.0173, and \$0.0006 for the TIC rate to be effective for service rendered on and after October 1, 2011. The Parties also agree that SJG's MGP remediation costs will remain subject to Board audit.

The Board HEREBY DIRECTS SJG to file tariff sheets consistent with the terms of this Order within five (5) business days.

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<sup>3</sup> Although summarized in this Order, the detailed terms of the stipulation control, subject to the findings and conclusions of this Order.

This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

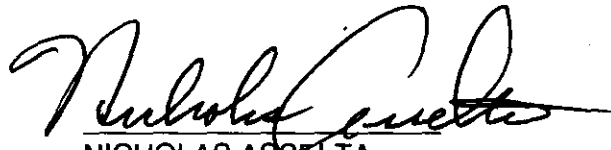
DATED: 9/22/11

BOARD OF PUBLIC UTILITIES  
BY:

  
LEE A. SOLOMON  
PRESIDENT

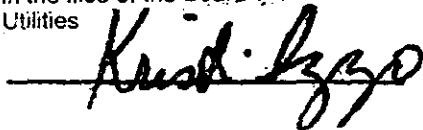
  
JEANNE M. FOX  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
NICHOLAS ASSELTA  
COMMISSIONER

ATTEST:  
  
KRISTI IZZO  
SECRETARY

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



I/M/O the Petition of South Jersey Gas Company to change the levels of its Societal Benefits Charge (SBC) and its Transportation Initiation Charge (TIC)

Docket No. GR09010091

I/M/O the Petition of South Jersey Gas Company to change the levels of its Societal Benefits Charge (SBC) and its Transportation Initiation Charge (TIC)

Docket No. GR09080716

<p>Sheila DeLucia, Chief N.J. Board of Public Utilities 44 So. Clinton Avenue, 9<sup>th</sup> floor P.O. Box 350 Trenton, NJ 08625</p>	<p>Beverly Tyndell N.J. Board of Public Utilities 44 So. Clinton Avenue, 9<sup>th</sup> floor P.O. Box 350 Trenton, NJ 08625</p>	<p>Stefanie A. Brand, Esq. Division of Rate Counsel 31 Clinton Street, 11<sup>th</sup> Floor P.O. Box 46005 Newark, NJ 07101</p>
<p>Henry Rich N.J. Board of Public Utilities 44 So. Clinton Avenue, 9<sup>th</sup> floor P.O. Box 350 Trenton, NJ 08625</p>	<p>Henry Ogden, Esq. Division of Rate Counsel 31 Clinton Street, 11<sup>th</sup> Fl P.O. Box 46005 Newark, NJ 07101</p>	<p>Felicia Thomas-Friel, Esq. Division of Rate Counsel 31 Clinton Street, 11<sup>th</sup> Floor P.O. Box 46005 Newark, NJ 07101</p>
<p>Kurt Lewandowski, Esq. Division of Rate Counsel 31 Clinton Street, 11<sup>th</sup> Fl P.O. Box 46005 Newark, NJ 07101</p>	<p>Paul Flanagan, Esq. Litigation Manager Division of Rate Counsel 31 Clinton Street, 11<sup>th</sup> Floor P.O. Box 46005 Newark, NJ 07101</p>	<p>Alex Moreau, DAG Department of Law &amp; Public Safety 124 Halsey Street, 5<sup>th</sup> Floor P.O. Box 45029 Newark, NJ 07101</p>
<p>Jerome May, Director N.J. Board of Public Utilities 44 So. Clinton Avenue, 9<sup>th</sup> floor P.O. Box 350 Trenton, NJ 08625</p>	<p>Babette Tenzer, DAG Department of Law &amp; Public Safety 124 Halsey Street, 5<sup>th</sup> Floor P.O. Box 45029 Newark, NJ 07101</p>	<p>Ira G. Megdal, Esq. Cozen O'Connor, P.C. Suite 300 Liberty View 457 Haddonfield Road P.O. Box 5459 Cherry Hill, NJ 08002-2220</p>
<p>Daniel J. Bitonti, Esq. Cozen O'Connor, P.C. Suite 300 Liberty View 457 Haddonfield Road P.O. Box 5459 Cherry Hill, NJ 08002-2220</p>	<p>Sam Pignatelli, V.P. South Jersey Gas Company One South Jersey Plaza Route 54 Folsom, NJ 08037</p>	<p>Stefanie Brand, Esq., Director Division of the Ratepayer Advocate 31 Clinton Street, 11<sup>th</sup> Floor Post Office Box 4005 Newark, New Jersey 07101</p>



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

**INITIAL DECISION**

**SETTLEMENT**

OAL DKT. NO. PUC 6176-09

AGENCY DKT. NO. GR09010091

**I/M/O THE PETITIN OF SOUTH  
JERSEY GAS COMPANY TO CHANGE  
THE LEVELS OF ITS SOCIETAL  
BENEFITS CLAUSE (SBC) AND  
ITS TRANSPORTATION INITIATION  
CLAUSE (TIC).**

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**Ira G. Megdal, Esq.,** for petitioner (Cozen O'Connor)

**Alex Moreau,** Deupty Attorney General, for respondent (Paula T. Dow, Attorney  
General of New Jersey, attorney)

Record Closed: August 31, 2011

Decided: September 1, 2011

**BEFORE W. TODD MILLER, ALJ:**

This matter was transmitted to the Office of Administrative Law on July 13, 2009, for determination as a contested case, pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13.

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

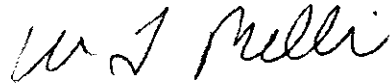
I have reviewed the record and the terms of settlement and I **FIND**:

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

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

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

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



September 1, 2011

DATE

\_\_\_\_\_  
**W. TODD MILLER, ALJ**

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

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

/sd

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

IN THE MATTER OF THE PETITION OF  
SOUTH JERSEY GAS COMPANY TO  
CHANGE THE LEVEL OF ITS SOCIETAL  
BENEFITS CHARGE ("SBC") AND ITS  
TRANSPORTATION INITIATION CHARGE  
("TIC")

BPU DOCKET NO. GR09010091

OAL DOCKET NO. PUCRL06176-2009S

IN THE MATTER OF THE PETITION OF  
SOUTH JERSEY GAS COMPANY TO  
CHANGE THE LEVEL OF ITS SOCIETAL  
BENEFITS CHARGE ("SBC") AND ITS  
TRANSPORTATION INITIATION CHARGE  
("TIC")

BPU DOCKET NO. GR09080716

OAL DOCKET NO. PUCRL11856-2009N

**STIPULATION**

**APPEARANCES:**

Ira G. Megdal, Esquire and Daniel J. Bitonti, Esquire, (Cozen O'Connor, attorneys) for  
South Jersey Gas Company ("Petitioner")

Henry M. Ogden, Assistant Deputy Rate Counsel, on behalf of the Division of Rate  
Counsel, Stefanie Brand, Director, ("Rate Counsel")

Alex Moreau, Deputy Attorney General, on behalf of the Staff of the Board of Public  
Utilities ("Staff") (Paula T. Dow, Attorney General of the State of New Jersey).

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

**I. INTRODUCTION**

1. This Stipulation is intended to resolve the outstanding issues in Docket Nos.  
GR09010091 and GR09080716.



## II. PROCEDURAL HISTORY

### A. BPU Docket No. GR09010091

2. By a Petition filed January 30, 2009, in Docket No. GR09010091, South Jersey Gas Company ("South Jersey" or "Company" or "Petitioner") asked the Board for authority to increase the annual level of its Societal Benefit Clause ("SBC") Charge by \$7,875,158 and to increase the annual level of its Transportation Initiation Clause ("TIC") by \$77,000 ("January 2009 Petition").

3. The rate changes proposed in the January 2009 Petition would have resulted in a rate increase for a typical residential heating customer, using 100 therms of gas during a winter heating month, of \$1.40 or 0.8%.

4. By the filing of the January 2009 Petition, South Jersey proposed to increase the level of its Remediation Adjustment Clause ("RAC") charge and decrease its Clean Energy Program ("CLEP") charge, which are components of the SBC. The Universal Service Fund ("USF") and Lifeline components of the SBC, established by the Board, were proposed to remain unchanged. The RAC rate at the time of filing was \$.0118 per therm, the CLEP rate was \$0.0129 and the TIC rate was \$0.0002 per therm. The January 2009 Petition requested a RAC rate of \$.0261 per therm a CLEP rate of \$0.0124 per therm and a TIC rate of \$0.0004 per therm.

5. A public hearing in this matter was held on February 23, 2010. The public hearing was noticed in newspapers of general circulation within South Jersey's service territory. Several members of the public appeared and made statements on the record.

6. Discovery has been propounded upon Petitioner, and all such discovery has been answered.

**B. BPU Docket No. GR09080716**

7. By a Petition filed August 27, 2009, in Docket No. GR09080716, South Jersey sought authorization to increase the annual revenue level of its SBC by approximately \$15.4 million, and to increase the annual level of its TIC by \$147,108 ("August 2009 Petition").

8. The rate changes proposed in the August 2009 Petition would have resulted in an increase for a typical residential heating customer, using 100 therms of gas during a winter heating month, of \$2.79 or 1.7%.

9. By the filing of the August 2009 Petition, South Jersey proposed to increase the level of its RAC charge and its CLEP charge, which are components of the SBC. The USF and Lifeline components of the SBC, established by the Board, were proposed to remain unchanged. The RAC at the time of filing was \$.0118 per therm, the CLEP rate was \$0.0129, and the TIC was \$0.002 per therm, as there was no resolution of the increases requested in the pending January 2009 Petition. The August 2009 Petition requested a RAC rate of \$.0349 per therm a CLEP rate of \$0.0173 per therm and a TIC rate of \$0.0006 per therm.

10. A public hearing in this matter was held on February 23, 2010. The public hearing was noticed in newspapers of general circulation within South Jersey's service territory. Several members of the public appeared and made statements on the record.

11. Discovery has been propounded upon the Petitioner, and all discovery has been answered.

**II. STIPULATED TERMS**

12. South Jersey, Board Staff and Rate Counsel (collectively the "Parties"), the only parties to this proceeding, have discussed certain matters at issue in this proceeding. As a result

of those discussions, the Parties agree that it would be reasonable and in the public interest to resolve and make final the SBC rates and related issues raised in the two Petitions.

13. The Parties accordingly **STIPULATE AND AGREE** that the filed RAC rate from the August 2009 Petition of \$.0349 per therm, should be implemented and made final.

14. The Parties agree and stipulate that the filed CLEP rate in the August 2009 Petition of \$.0173 per therm should be implemented and made final.

15. The Parties agree and stipulate that the filed TIC rate in the August 2009 Petition of \$.0006 per therm should be implemented and made final.

16. The Parties agree that the South Jersey's Manufactured Gas Plant ("MGP") remediation costs will remain subject to Board audit. Additionally, South Jersey will continue to conduct an annual audit of the RAC to assess the validity of expenses being charged to the RAC. South Jersey also represents that there are no pension costs or any Natural Resource Damage ("NRD")—related MGP costs incurred during the time period set forth in the Petitions.

17. The SBC rates and other changes set forth in this Stipulation result in an increase of approximately \$2.79, or 1.67% per month, to the average residential heating customer using 100 therms of gas during a heating month. These new factors will result in the recovery of an additional \$15.5 million over the current recovery amount.

18. The Company agrees that it will include in its future RAC filings responses to the minimum filing requirements ("MFRs") as set forth in Exhibit A to this Settlement. At a minimum, the Company agrees to provide hard copies of the filings and the MFRs to the Board, Rate Counsel and the consultant to Rate Counsel. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or

upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A.  
48:2-40.

19. Following acceptance of this Stipulation by an Order of the Board, South Jersey will submit a Compliance Filing incorporating the final SBC rates approved by the Board within 7 days of such approval.

### III. MISCELLANEOUS

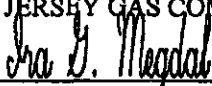
20. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event this Stipulation is not adopted in its entirety by the Board, then any party hereto is free to pursue its then available legal remedies with respect to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

21. 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, South Jersey, Staff and Rate Counsel 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. Also, all rates are subject to Board audit.

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

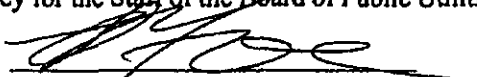
SOUTH JERSEY GAS COMPANY

By:

  
Ira G. Megdal, Esq.  
Cozen O'Connor

PAULA T. DOW  
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:

Henry M. Ogden  
Assistant Deputy Rate Counsel

Dated: August 25, 2011

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

SOUTH JERSEY GAS COMPANY

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

PAULA T. DOW  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the Board of Public Utilities

By: Alex Morsau  
Alex Morsau, Deputy Attorney General

STEFANIE A. BRAND  
DIRECTOR, DIVISION OF RATE COUNSEL

By: Henry M. Ogden / F.T.-F.  
Henry M. Ogden  
Assistant Deputy Rate Counsel

Dated: August 25, 2011

### RAC Minimum Filing Requirements

As part of the Company's annual RAC filing, the Company will provide responses to the following Minimum Filing Requirements ("MFRs"). The requests, unless noted otherwise, relate to the historical 12-month RAC period.

1. The Company currently provides a vendor summary as part of its annual RAC filing. This document provides a summary of the expenditures by vendor by site by vendor for the twelve-month RAC period. Hereafter, the vendor summary will be supplemented with a general description of the services provided by each vendor. The data noting expenditures incurred through July 31<sup>st</sup> of each year will continue to be submitted with the Company's annual RAC filing.
2. Identify the three MGP sites with the highest level of expenditures during the prior RAC period. For each identified site, provide a copy of the latest work plan, remediation report, or major work product submitted to the NJDEP. The copies should include the narrative portion of the report or work plan but need not include the technical supporting workpapers, charts and tables.
3. For each of the same three MGP sites, provide all correspondence between the Company and the NJDEP concerning submissions for the site, reply comments, and other major items which have a material impact on remediation activities and associated costs incurred by the Company. The correspondence should span the twelve-months preceding July 31st of the most recent RAC period.
4. For each of the same three MGP sites, provide expense documentation for any contractor or supplier whose invoices for the RAC period exceed \$250,000 in aggregate. The expense documentation should include descriptions of services rendered, applicable invoices, and any tracking of invoiced charges vs. budgets. The expense detail need not include expense reports or time sheets, but it should include supporting documentation for any subcontractor and third party expenses totaling \$100,000 or more for the period.
5. For each of the same three MGP sites, provide a narrative description and organization chart for that site, showing the vendors and project control structure for the remediation effort. The response should show what entities supervise all significant contractors and subcontractors and which Company personnel are involved in site and remediation supervision and control.
6. Provide a detailed narrative describing Company activities and any reimbursements related to insurance claims or potentially responsible parties'

liabilities for all of the Company's MGP sites. The narrative, with supporting documentation, should cover the prior RAC period.

7. Provide copies of any RAC audit reports or related materials prepared by the Board's Audit Staff, FERC, or the Company's internal or external auditors during the previous twelve months. To the degree applicable, please also provide any materials prepared in response to the audits or in compliance with any audit findings.
8. Provide a narrative concerning all material events, whether related to NJDEP mandates or not, which could have an impact on the Company's ultimate MGP remediation liability, with claimed confidential information provided pursuant to a confidentiality agreement. The narrative should encompass all sites, whether or not active remediation efforts on the site are under way.
9. Provide schedules and supporting workpapers and documents, which show the reconciliation of the prior period RAC expenditures and recoveries as well as the derivation of the deferred tax credit and the interest accrual on any unamortized balances.
10. Provide the Company's bid evaluation studies, reports, workpapers or other material related to the two largest MGP remediation contracts awarded during the previous RAC period. The response should include the criteria utilized for bid evaluation and the comparisons between the terms and conditions offered by the competitive bidders.
11. Provide documentation relating to the two largest supplemental contract amendments authorized by the Company during the previous RAC period. The response should provide the contractor's request for supplemental funding, the reasons cited for the request, and the Company's evaluation and action taken concerning the request.
12. Provide documentation relating to any instances during the previous RAC period where the Company sought to modify, change, or eliminate the NJDEP site remediation requirements for any of its MGP sites. The response should provide copies of any such Company requests, the NJDEP responses, and the ultimate outcome concerning the requests.
13. Provide a calculation of the carrying costs that the Company seeks to recover in this filing, including workpapers and supporting documentation.



14. The Company currently provides a schedule that summarizes the expenditures incurred by major cost category by site on a quarterly basis. These data will be reported with its annual filing.
15. For each of the Company's MGP sites, provide a schedule showing the status of the remediation effort and estimated dates for the completion of remaining milestones. The Parties understand that the timeframes to complete the remediation efforts are subject to a great deal of uncertainty due to factors beyond the Company's control. Also, provide an update concerning the status of discussions with the NJDEP concerning its NRD initiative as well as any other NRD-related activities, with claimed confidential information provided pursuant to a confidentiality agreement.



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

**INITIAL DECISION**

**SETTLEMENT**

OAL DKT. NO. PUC 11856-09

AGENCY DKT. NO. GR09080716

**I/M/O THE PETITION OF SOUTH  
JERSEY GAS COMPANY TO  
CHANGE THE LEVELS OF ITS  
SOCIETAL BENEFITS CLAUSE  
("SBC") AND ITS TRANSPORTATION  
INITIATION CLAUSE ("TIC").**

---

**Ira G. Megdal, Esq.,** for petitioner (Cozen O'Connor)

**Alex Moreau,** Deputy Attorney General, for respondent (Paula T. Dow, Attorney  
General of New Jersey, attorney)

Record Closed: August 31, 2011

Decided: September 1, 2011

**BEFORE W. TODD MILLER, ALJ:**

This matter was transmitted to the Office of Administrative Law on October 29, 2009, for determination as a contested case, pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13.

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

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

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

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

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

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



September 1, 2011  
DATE

\_\_\_\_\_  
**W. TODD MILLER, ALJ**

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

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

/sd