



**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/)

DIVISION OF ENERGY AND  
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF SOUTH ) ORDER  
JERSEY GAS COMPANY FOR APPROVAL OF )  
AN ENERGY EFFICIENCY PROGRAM ("EEP") )  
WITH AN ASSOCIATED ENERGY EFFICIENCY )  
TRACKER ("EET") PURSUANT TO N.J.S.A. 48:3- )  
98.1 ) BPU DOCKET GO12050363

**Parties of Record:**

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

BY THE BOARD:

**BACKGROUND AND PROCEDURAL HISTORY**

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law by former Governor Corzine 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. N.J.S.A. 26:2C-45.

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 New Jersey Board of Public Utilities ("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 South Jersey Gas Company ("SJG" or "Company") to implement five energy efficiency programs: 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").<sup>1</sup> 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.

By Order dated January 19, 2011, the Board authorized SJG to extend the Original Programs and carryover individual program under-spending of the Original Programs through December 31, 2011 ("January 2011 Order").<sup>2</sup> 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 also authorized the Company to reallocate money within the Original Programs.

By Order dated August 15, 2012, the Board authorized SJG to further extend the Original Programs and carryover program under-spending from April 2012 until such time as the Board makes a determination in this docket ("August 2012 Order").<sup>3</sup> The August 2012 Order also approved a re-allocation of the remaining budget among the Original Programs.

### **May 2012 Filing**

On May 3, 2012, SJG filed the instant petition with the Board. By letter dated June 1, 2012, Board Staff notified SJG that the filing was administratively incomplete. On July 18, 2012, SJG submitted a supplemental filing to address the deficiencies outlined in the June 1 letter from Staff, including the direct testimony of Bruce Grossman and Renee Farmer. On July 23, 2012, Board Staff notified SJG that with the information submitted in the July 18 supplemental filing, the filing was administratively complete.<sup>4</sup>

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<sup>1</sup> 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, Order dated July 24, 2009.

<sup>2</sup> 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, Order dated January 19, 2011.

<sup>3</sup> In re the Petition of South Jersey Gas Company for Approval to Extend the Company's Board-Approved Energy Efficiency Programs and to Transfer Funding Amongst the Individual Programs. BPU Docket No. GO12060492. Order dated August 15, 2012.

<sup>4</sup> N.J.S.A. 48: 3-98.1 requires the Board to decide cost recovery issues within 180 days. Pursuant to the Board Order issued in response to a further statutory directive within that section, Board Staff must review a petition for completeness within 30 days and, when a petition is determined to be complete, set the beginning of the 180-day period. In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1, Dkt. No. EO08030164 (May 8, 2008). Accordingly, the 180-day period for a Board determination commenced on July 18, 2012.

In the filing, SJG requested approval of an Energy Efficiency Program ("EEP II") and approval to continue its Energy Efficiency Tracker ("EET") to recover costs associated with EEP II. SJG further requested that it be allowed to earn a return on and a return of investments associated with EEP II. The proposed budget for the five programs included in EEP II is \$24,238,341, to be spent from the effective date through December 2013. SJG proposed to recover the costs through a separate component of the Company's EET. Below is a summary of the requested sub-programs in the proposed EEP II and their associated budgets:

1. Enhanced Residential HVAC Energy Efficiency Program	\$14,528,424
2. Natural Gas Vehicle Grant Program	\$3,220,000
3. Social Marketing and Education Program	\$1,039,000
4. Non-Residential Energy Efficiency Finance and Incentive Program	\$2,387,317
5. Combined Heat and Power and Distributed Generation Technology	\$3,063,600

By Order dated August 15, 2012, the Board retained this matter for review and hearing as authorized by N.J.S.A. 48:2-32, and designated Commissioner Mary-Anna Holden as the presiding commissioner in this proceeding. Additionally, the Board adopted a procedural schedule agreed to by the Company, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties"). By letter dated October 19, 2012, SJG notified Commissioner Holden that the Parties were working on a modification of the procedural schedule approved by the August 15, 2012 Board Order. On December 5, 2012, SJG submitted a modified procedural schedule to Commissioner Holden which she subsequently approved. By Order dated December 19, 2012, the Board approved a stipulation between the Parties that extended the 180 day period review period through March 1, 2013.

Pursuant to the procedural schedule, on November 9, 2012, Rate Counsel submitted the direct testimony of Robert J. Henkes, Maximilian Chang, and Matthew I. Kahal. On December 7, 2012, SJG filed the rebuttal testimony of Bruce Grossman and Paul Moul.

After notice in newspapers in general circulation within the service territory, public hearings were held on December 3, 2012 in Voorhees, NJ. No members of the public attended.

By Order dated January 23, 2013, the Board approved a stipulation between the Parties that further extended the 180 day review period through June 30, 2013 ("January 2013 Order"). The January 2013 Order also extended the Original Programs and the EET through June 30, 2013 with an "Extension Budget" of \$2,522,469 for the period January 2013 through June 2013.

### **STIPULATION**

The Parties have conducted several rounds of discovery and have met several times to discuss the issues in the filing. On June 17, 2013, the Parties entered into the attached stipulation of settlement ("Stipulation"). The Parties have agreed to the following salient terms:<sup>5</sup>

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<sup>5</sup> Although described 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.

## Programs

15. As part of the pending NJCEP administrator transition and the utility working group process in the pending Comprehensive Resource Analysis ("CRA") proceeding,<sup>6</sup> the Parties understand that modifications may be made to NJCEP programs and policy directions. SJG agrees to review the approved programs in cooperation with Board Staff and Rate Counsel to ensure alignment with NJCEP programs and administration. If necessary, modifications will be proposed in the manner set forth in the Stipulation.
16. SJG may continue the following EEP programs, as modified and described in Appendix A to the Stipulation, which will encourage customers to reduce their overall energy usage in support of New Jersey's Energy Master Plan and will create jobs:
  - i. Residential Home Performance and Finance Energy Efficiency Program- SJG will offer up to a \$10,000 repayment plan to qualifying Residential Home Performance customers. This repayment plan will have a ten (10) year term at zero (0%) percent interest with no money down. Also; SJG will not provide any additional incentive to income eligible customers, as was done in years past. The NJCEP has stopped this practice, and therefore, so has SJG. Another major difference is that SJG will be the provider of the financing, as opposed to an outside finance agent.
  - ii. Non-Residential Energy Efficiency Investment Program - SJG will not offer matching incentives. The Company will offer a repayment plan up to \$100,000 at zero (0%) percent for a five (5) year term to qualified customers, who are eligible for incentives through the Smart Start, Retrofit Pay for Performance, and Customer Measure commercial programs.
  - iii. Enhanced Residential HVAC Rebate Program - SJG will reduce the existing enhanced incentive from \$900 to \$500. This revised rebate will be offered if the customer simultaneously installs an approved central heating and water heating system, and has a home assessment. If the customer chooses, it can opt for a repayment plan, up to \$6,500 at zero percent interest for a five-year term for the simultaneous installation of an approved central heating and water heating system. The customer will not be eligible for both a \$500 rebate and a repayment plan. The customer must select one offer or the other. In either option, the qualifying customer must have a home assessment, as is the case under the existing plan to receive South Jersey's \$900 enhanced rebate.
  - iv. Commercial Customer Direct Install Financing Program - The modification of this program aligns it with the NJCEP program existing at the present time. Therefore, SJG will offer a repayment plan up to \$37,500 or 30% of the total cost of the project for recommended measures. The term of the repayment plan is for two (2) years at zero (0%) interest.

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<sup>6</sup> In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2013-2016 Clean Energy Program, BPU Docket No. EO11050324V.

17. Appendix A to the Stipulation contains a description of each subprogram, a proposed investment and O&M budget for each subprogram, the target market and customer eligibility requirements, the offerings and customer incentives, the delivery methods, the anticipated program participants and related savings estimates, the anticipated job creation estimates, the contracts, a description of the marketing initiatives, how each project compares and/or complements the existing New Jersey Clean Energy program, and the budget for each subprogram.
18. These programs will remain in effect from July 1, 2013 through June 30, 2015.
19. The Company anticipates that the work associated with the program will sustain approximately 137 incremental jobs in its service territory. The Company agrees that it will endeavor to work with contractors, consultants, engineering firms, and companies located in New Jersey or that have a close working relationship with the NJCEP. The Company's estimate of the workforce necessary for the EEP does not include any ancillary job impacts that will increase the overall benefits generated from the EEP.
20. The Company will take all reasonable and prudent steps to continue the Energy Efficiency Projects upon receipt of a Final Board Order in this proceeding.
21. The Parties stipulate that the Board should approve on an interim basis, subject to deferred accounting, subject to refund, cost recovery through the implementation of an EET rate for the subprograms listed in Appendix A to the Stipulation, including incremental O&M expenses totaling \$24,000,000, subject to a prudence review in the Company's Annual EET Filing.

#### **Cost Recovery Mechanism**

22. The Parties stipulate that cost recovery through a separate component of the EET will consist of two parts and be affected through a deferred accounting mechanism. One part will recover the amortization of the investments made in participating customer rebates, incentive payments, and the costs of providing customer financing ("program investments") and a return on the unamortized portion of such program investments. The other part will recover incremental O&M expenses associated with the subprograms. Should any customer fail to repay SJG his or her portion of the costs associated with the measures installed, all such costs will be recovered within the rate recovery mechanism set forth in the Stipulation.
23. The Parties stipulate that the return on the unamortized portion of the program investments be set equal to the Weighted Average Cost of Capital ("WACC") utilized to set rates in SJG's Accelerated Infrastructure Replacement Program, BPU Docket No. GO12070670, which was 7.33% overall after tax (10.78% pre-tax), utilizing a capital structure with a 51.2% equity component and a return on equity of 9.75%. The WACC will be modified to reflect the WACC used to set rates in subsequent SJG base rate cases. The 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. The 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.

24. The Parties stipulate that the revenue requirement for all subprograms, will include the following:
- v. WACC stipulated herein or utilized to set rates in the Company's next base rate case.
  - vi. Recovery of reasonable and prudent incremental O&M expenses related to implementation and operation of the subprograms. Incremental O&M will include, but not be limited to, program management, information technology, sales and marketing, program evaluation, training and other costs associated with staffing the required workforce and managing the workforce.
  - vii. A revenue factor of 1.07834 as shown on Appendix B to this Stipulation.
25. There will be no CHP Program within the subprograms in Appendix A to the Stipulation.
26. Attached to the Stipulation is an amended tariff sheet for the EET as Appendix F, which the Parties stipulate will be effective as determined by the Board in its Order approving the Stipulation.
27. The revenue requirement stipulated to is based upon the projected program investments and projected incremental O&M expenses. To calculate the rate the revenue requirement was divided by the applicable projected therm sales for the 12-month period, representing EEP year July 1, 2013 through June 30, 2014.

### **Budget Flexibility**

28. Based on market response, spending on the aggregate EE Program or any of the individual programs may be accelerated and completed sooner than the proposed period. To provide flexibility in responding to market conditions and customer demand during the period July 1, 2013 through June 30, 2015, the Parties agree that the Company may transfer funding between subprograms in order to maximize energy savings and program resources, subject to the following. No proposed transfers shall be made until at least sixty (60) days after the Company has submitted to the Parties, a written description of the proposed transfers and the rationale for the proposed transfers. If any Party objects in writing within such forty-five (45) day period after the Company has submitted this information to the Parties then no transfer that is a subject of the objection will take effect until after the Board has approved the transfer. Except for a situation in which such an objection is filed, no Board Order approving such transfers will be required.
29. Based on market response, the Company may propose to modify subprograms prior to June 30, 2015. No such modification shall take effect without approval by the Board. To propose a modification, the Company shall submit to the Parties, in writing, a description of its proposed modifications, the rationale for its proposed

modifications, and a narrative and schedules showing the effect of its proposed modifications on the costs and benefits of the affected programs. The Company shall present the proposed modifications to the Board for approval if no objections to the proposed modifications are received within forty-five (45) days after that filing. The Company will also report on these modifications in its Annual Filing and the monthly reporting described below.

30. The Company shall file with the Board its compliance EET tariff and initial EET tariff rate within five business days of the date of the Board Order approving the Stipulation.
31. The initial revenue requirement calculation for the EET will commence during the month in which the EET mechanism is approved by the Board and will be based upon projected expenditures for the EET. The monthly over and under recovery calculation will be based upon actual revenues billed monthly under the EET mechanism applied against the monthly revenue requirement of the EET. The monthly over and under recovery calculation will follow the methodology illustrated in the projected calculation set forth in Appendix C to the Stipulation. The calculation of interest shall be based on the average of the net of tax beginning and ending monthly balance. The annual revenue requirement calculation will follow the methodology set forth in Appendix B attached to the Stipulation and made a part of the Stipulation.
32. As part of its Annual Filing, SJG will file to adjust its EET rate for the EEP II on a calendar basis, with copies provided to the Parties, in June with a proposed implementation of the revised EET rate in October. Each Annual Filing will contain a reconciliation of its projected EET costs and recoveries and actual revenue requirements for the relevant period, as well as the items set forth in the minimum filing requirements ("MFRs") set forth in Appendix D attached to the Stipulation and made a part of the Stipulation. The Annual Filings shall be made available to other parties to the Stipulation, as well as any other interested members of the public, through the prompt posting of all non-confidential portions of those filings on the Company's website. 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. The Annual Filings also will present actual costs since the previous annual review and such costs will then be available for review for reasonableness and prudence. Any Board ordered cost recovery adjustments resulting from the review of the actual costs will be made to the over/under deferred balance and reflected in the charges established for the following year pursuant to a Final Board Order. Each Annual Filing will contain a reconciliation of its projected EET costs and recoveries, actual revenue requirements for the prior period, and a forecast of revenue requirements for the upcoming 12-month period which shall be based upon the Company's WACC utilized to set rates in the Stipulation or as utilized to set rates in the Company's next base rate case.
33. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based upon the Company's monthly weighted interest rate obtained on its commercial paper and/or bank credit lines. If both commercial paper and bank credit lines have been utilized the weighted average of both sources of capital shall be

used. The interest amount charged or credited to the EET will be computed using the methodology set forth in Appendix C attached to the Stipulation and made a part of the Stipulation. The monthly interest shall be based on the net average monthly balance, consistent with the methodology set forth in Appendix C 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 SJG's overall rate of return as in SJG's WACC utilized to set rates in the Company's Accelerated Infrastructure Replacement Program ("AIRP") in BPU Docket No. GO12070670 (including income tax effects) as identified in Paragraph 23 of the Stipulation. The true-up calculation of over- and under- recoveries shall be included in the Company's Annual Filing. This interest calculation in this paragraph is subject to the condition set forth in paragraph 23 of the Stipulation.

#### **Minimum Filing Requirements**

34. The Company will provide the information set forth in the MFR attached to the Stipulation as Appendix D and made a part of the Stipulation, in its Annual Filing. The Company will also provide in each filing a detailed description of the expenditures that are reflected in the EEP in Appendix A to the Stipulation.

#### **Rate Design**

35. Rate recovery through the EET rate will be non-bypassable except as provided in the Board's Order in the Company's 2003 base rate case, BPU Docket No. GR03080683, or otherwise provided by law, and implemented on a volumetric basis (equal charge per therm applied to throughput of all customer classes). The calculation of the initial EET rate is set forth in Appendix B attached to the Stipulation.

#### **Rate Impact**

36. For this extension of the Company's EEP, the Parties stipulate to an EET rate of \$0.0035 per therm, including taxes (\$0.0033 without taxes), which would result in \$2.1 million in revenue for the initial period, EEP year one, as set forth in Appendix B to the Stipulation. The EET rate will result in a rate increase for a typical residential customer using an average of 100 therms of gas during a month of \$0.35 or 0.3%. The impact on a typical General Service customer using 500 therms during a month would be an increase of \$1.75 or 0.3%.

#### **Reporting**

37. The Company will provide monthly reports ("Monthly Activity Reports") identified by docket number to Board Staff and Rate Counsel on program activity related to the subprograms contained in Appendix A to the Stipulation and estimated impacts for each calendar month from the Board's approval of the program through June 2015, or such later date as the Board approves for the end of the program. In addition, the Company will continue to submit this information for existing EEP I programs. The Company will include data in these reports consistent with the data reported from the BPU's Clean Energy Program with respect to energy efficiency and will reconcile within 90 days of the execution of the Stipulation the data discrepancies and



deficiencies with the data being reported. The Company will submit its Monthly Activity Reports in a format that can be electronically uploaded to the Clean Energy Program's reporting system. The Company will submit each Monthly Activity Report within thirty (30) days after the end of the calendar month covered by the report.

### **Job Creation**

38. The Parties agree that job creation is an integral aspect of the EE program. Therefore, the Company agrees to report, in the monthly report provided pursuant to Paragraph 37 to the Stipulation, (i) the number of full-time equivalents that the Company hires to perform work associated with the EE program, and (ii) the number of full-time equivalents that entities under contract with the Company, or who engage in promoting SJG's EEP initiatives to perform work associated with the subprograms described in Appendix A to the Stipulation have hired to perform such work. Reporting of job creation in the monthly report will be in the format contained in the Job Creation Questionnaire, attached to the Stipulation as Appendix E. For the purpose of reporting jobs associated with the Company's EE programs, "full-time equivalent" means one or more individuals collectively working a total of 1820 hours annually in connection with the Company's EE program.
39. The New Jersey Department of Labor and Workforce Development (LWD) oversees the Green Job Training Partnership program (GJTP), which is intended to help meet the employment needs of the Company and local contractors by providing graduates of the training program to be considered for employment in occupations needed for implementation of the Program. The Company will conduct the following program activities to support and promote the GJTP:
- a) Promote awareness and enhanced participation of the GJTP, by providing information from LWD about the GJTP to all contractors located within the Company's service territory who are listed in the NJCEP Home Performance with Energy Star program and are certified by the Building Performance Institute (BPI).
  - b) Coordinate and conduct at least two outreach meetings each year, inviting all contractors listed in the NJCEP Home Performance with Energy Star program that are BPI certified, and are at a minimum located within the Company's service territory. The outreach meetings will include a presentation regarding the GJTP, in which LWD will participate along with local GJTP grantees for the territory.
  - c) Serve on at least one GJTP Employer Council.
  - d) Advise all contractors listed in the NJCEP Home Performance with Energy Star program that are BPI certified and are at a minimum located within the Company's service territory of the benefits of participating on the appropriate GJTP Employer Council.
  - e) Post information on the Company's website regarding the GJTP and a link to LWD's website. Information on the GJTP can be

found at:

<http://lwd.dol.state.nj.us/labor/employer/training/Apprenticeship.html>

- f) Post all vacancies for New Jersey-based jobs through the local One-Stop Career Center. A listing of the local One-Stop Career Centers is located at:  
<http://lwd.dol.state.nj.us/labor/wnpjpin/findjob/onestop/services.html>

### **Government Funding**

40. Subject to any restrictions set forth in the applicable law, if the Company receives federal funds or credits directly related to Energy Efficiency Projects, the Company agrees to utilize that money to offset the EEP program's costs. If funding or credits from state or federal action become available to the Company through the State of New Jersey, a County or Municipality for project reimbursement, the Company agrees that any such funds or credits directly applicable to work related to Energy Efficiency Projects will be used to benefit customers by offsetting the costs for which recovery will be sought to the extent permitted by law.
41. However, in no case shall the combination of federal, state, EEP payments, and NJCEP incentive funding provided fund 100% of a project's costs through rebates or other direct incentives. If it is determined that a project would be funded 100% through rebates or incentives the parties agree that, subject to any restrictions set forth in applicable law, incentive funding approved as part of this program shall be reduced to bring the total rebates and incentives under 100% of the program costs.

### **DISCUSSION AND FINDING**

The Board, having carefully reviewed the record to date in this matter, including the petition, testimony, 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 set forth herein.

As the Board noted in its July 24 Order approving the EEP I, customers who install energy efficiency measures reduce their usage of electricity and natural gas, thus lowering their energy costs. Increased investments in cost-effective energy efficiency measures help lower electricity and natural gas costs for the customers who implement those measures, and also reduce costs and help to manage the rate overall for electricity customers by reducing usage of electricity from the grid at times of peak demand when wholesale electricity prices are highest, and by mitigating the need for additional generation, transmission, and distribution infrastructure to serve peak demand. The Board also noted that increasing energy efficiency improves the competitiveness of New Jersey businesses through reduced energy costs and reduced vulnerability to substantial increases in the prices of fossil fuels and of the electricity generated using those fuels.

In the July 24 Order, the Board found that a substantial investment by electric and gas utilities in energy efficiency would assist in creating jobs, would continue to build a foundation for a more energy-efficient economy in New Jersey that will support long-term economic growth, and would

take a step toward transition of the administration of energy efficiency programs from the NJCEP to the electric and gas utilities. In addition, the Board found that SJG's program would have a significant and real benefit on employment in the State, including not only jobs directly attributable to the program but also indirect impacts with respect to jobs created in other sectors of New Jersey's economy for labor, materials, and services, and "induced" impacts resulting from spending by the added employees for local goods and services. The Board also found these programs to be cost effective, as demonstrated by the cost benefit analysis performed by the Center for Economic, Energy and Environmental Policy.

Additionally, in the July 24 Order, the Board noted the extent of the worldwide economic crisis and the need to take action to support employment in New Jersey. The Board took note that the national unemployment rate rose from 6.9 percent in the fourth quarter of 2008, to 8.5 percent in March 2009, 8.9 percent in April, and 9.4 percent in May, the latest period for which statistics were then available.<sup>7</sup> Since then, economic signals have been mixed and the Bureau of Labor Statistics reports unemployment at 7.5 percent.<sup>8</sup>

Preliminary program data from SJG indicates that as of early April 2012, the Enhanced Residential Rebate Program has provided incentives for over 5,000 rebates and over 1,000 customers have participated in the Home Performance Finance EE-Loan Interest Buy-downs and Income Qualified program. In addition, according to SJG these programs have created 118 permanent jobs in the field of energy efficiency. The Board **FINDS** that these programs have had the effect of promoting energy efficiency with the potential for reducing peak demand and thereby lowering costs to customers. In addition, the Board **FINDS** that these programs have created and preserved jobs, particularly for residential and small business contractors. The Board further **FINDS** that it is reasonable to anticipate that the programs to be continued as part of the EEP will continue to provide these economic and environmental benefits. Enhanced reporting required under the terms of the Stipulation will allow Board Staff to monitor more closely whether the modified EEP actually continues to deliver these expected benefits.

As a result of the Stipulation, a typical residential customer using 100 therm of gas during a month will see an increase in the monthly bill by \$0.35 or 0.3% increase. The impact on a typical General Service customer using 500 therms during a month would be an increase by \$1.75 or 0.3% increase.

The Board **HEREBY RATIFIES** all provisional rulings by Commissioner Holden for the reasons stated in her Orders.

The Board **HEREBY SETS** the effective date of the modified EEP to be the later of July 1, 2013 or the date of service of this Board Order. The Company is **HEREBY DIRECTED** to file tariff sheets consistent with the Order within five (5) business days.

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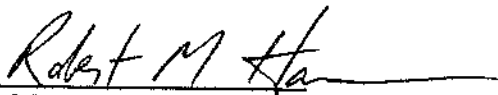
<sup>7</sup> Bureau of Labor Statistics, "The Employment Situation: May 2009," <http://www.bls.gov/news.release/empsit.nr0.htm>, accessed June 30, 2009

<sup>8</sup> Bureau of Labor Statistics, "The Employment Situation: April 2013", <http://www.bls.gov/news.release/empsit.nr0.htm>, accessed June 5, 2013.

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

DATED: 6/21/13

BOARD OF PUBLIC UTILITIES  
BY:



ROBERT M. HANNA  
PRESIDENT

  
JEANNE M. FOX  
COMMISSIONER

JOSEPH L. FIORDALISO  
COMMISSIONER



MARY-ANNA HOLDEN  
COMMISSIONER

ATTEST:



KRISTI IZZO  
SECRETARY

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



In the Matter of the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") With an Associated Energy Efficiency Tracker ("EET"),  
Pursuant to N.J.S.A. 48:3-98.1  
DOCKET NO. GO12050363

NOTIFICATION LIST

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<b>SJG</b>		
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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

<b>IN THE MATTER OF THE PETITION OF</b>	:	
<b>SOUTH JERSEY GAS COMPANY FOR</b>	:	<b>STIPULATION</b>
<b>APPROVAL OF AN ENERGY EFFICIENCY</b>	:	
<b>PROGRAM ("EEP") WITH AN</b>	:	<b>DOCKET NO. GO12050363</b>
<b>ASSOCIATED ENERGY EFFICIENCY</b>	:	
<b>TRACKER ("EET"), PURSUANT TO <u>N.J.S.A.</u></b>	:	
<b>48:3-98.1</b>	:	

**APPEARANCES:**

Ira G. Megdal, Esquire and Sarah A. Shapiro, Esquire (Cozen O'Connor, attorneys) for South Jersey Gas Company

Felicia Thomas-Friel, Esquire, Deputy Rate Counsel, Kurt S. Lewandowski, Esquire, and James W. Glassen, Esquire, Assistant Deputy Rate Counsels on behalf of the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

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

**TO THE NEW JERSEY BOARD OF PUBLIC UTILITIES:**

1. Pursuant to the State's Regional Greenhouse Gas Initiative ("RGGI") legislation, an electric or natural gas utility can offer and invest in regulated energy efficiency and conservation programs within its service territory. N.J.S.A. 48:3-98.1. Furthermore, utilities are authorized to seek approval from the New Jersey Board of Public Utilities ("Board") for recovery of costs related to such programs. Id. That recovery may include a return on equity, the establishment of incentives and the development of a rate mechanism that breaks the link between utility revenues and customer usage. Id. The eligible ratemaking treatments can provide for the inclusion of certain related investments in rate base or the recovery of such costs through a Board approved method. Id.

2. On January 23, 2009, in accordance with the RGGI Order,<sup>1</sup> South Jersey Gas Company (“South Jersey” or “Company”) petitioned the Board seeking approval of an Energy Efficiency Program (“EEP I”) with an associated Energy Efficiency Tracker (“EET”), pursuant to N.J.S.A. 48:3-98.1. The Petition was assigned Docket No. GO09010059 by the Board, which retained jurisdiction.

3. In an Order dated July 24, 2009 (the “July Order”), the Board adopted the terms and conditions of a stipulation entered into among representatives from the Board Staff, the New Jersey Division of Rate Counsel (“Rate Counsel”) and South Jersey (the “Signatory Parties”) authorizing the Company to offer the EEP I program and to recover reasonable and prudent revenue requirements associated with the EEP I through a deferred accounting mechanism. Cost recovery was through the creation of an Energy Efficiency Tracker (“EET”), which consisted of two parts. One part allowed the Company to earn a return on the unamortized investments and amortization of program investments over four years. The other part of the EET recovered reasonable and prudent incremental Operating and Maintenance (“O&M”) expenses associated with the EEP I. Pursuant to the July Order, the initial EET rate was established as \$0.0024 per therm, including taxes. Also, according to the July Order, the Company was required to submit annual EEP cost recovery filings to establish future EET rates (“Annual Filing”).

4. On July 9, 2010, in Docket No. GO10070466, the Company submitted its first annual filing with the Board seeking approval of an increase in the cost recovery associated with its EEP I (“First Annual EET Filing”). In the First Annual EET Filing, the Company sought to increase the EET rate to \$0.0078 per therm, including taxes. On June 1, 2011, in Docket No. GR11060336, South Jersey filed its second annual Petition with the Board seeking approval of

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<sup>1</sup> Docket No. EO08030164 (Order, May 12, 2008).



an increase in the cost recovery associated with its EEPI ("Second Annual EET Petition"). In the Second Annual EET Petition, South Jersey sought an increase of the existing EET rate to \$0.0096 per therm, including taxes.

5. On September 13, 2012, the Board approved an increase in the EET rate to \$0.0096 per therm, including taxes, resolving the First and Second Annual EET Filings.

6. In the interim, on November 18, 2010, South Jersey filed a Letter Petition with the Board seeking modification of the July Order, seeking to reallocate funds within the EEP I programs, and seeking to extend EEP I through April 2012. The Letter Petition did not seek to modify any of the EEP I programs or to increase total funding for the EEP I programs. The Signatory Parties entered into a stipulation dated January 12, 2011, whereby the Signatory Parties agreed to extend the EEP I to April 30, 2012. The stipulation was subsequently approved by the Board on January 19, 2011 in Docket No GO10110861.

7. On May 3, 2012, South Jersey filed a petition in Docket No. GO12050363 seeking approval from the Board of an Energy Efficiency Program ("EEP II"), and permission for South Jersey to continue its EET to recover all costs associated with the EEP II (the "EEP II Petition").

8. On June 6, 2012, in Docket No. GO12060492, South Jersey filed a Petition seeking to extend the EEP I and EET through December 31, 2012 to permit the Company to spend remaining unexpended EEP I funds. Pursuant to an Order dated August 15, 2012, the Board authorized the extension of South Jersey's EEP I until the remaining unexpended funds were exhausted or until approval of the EEP II Petition, whichever occurred first.

9. By letter dated June 1, 2012, in accordance with the Board Order dated May 12, 2008, establishing Minimum Filing Requirements, Board Staff notified South Jersey that the

Company's May 3, 2012 filing was administratively incomplete. On July 18, 2012, South Jersey submitted a supplemental filing to address the deficiencies outlined in the June 1 letter from Board Staff. On July 23, 2012, Board Staff notified South Jersey that with the information submitted in the July 18 supplemental filing, the filing was administratively complete.

10. By Order dated August 15, 2012, the Board retained this matter for review and hearing as authorized by N.J.S.A. 48:2-32 and designated Commissioner Mary-Anna Holden as the presiding officer in this proceeding. Additionally, the Board adopted a procedural schedule agreed to by the Signatory Parties. Subsequently, by Order dated December 6, 2012, Commissioner Holden approved a modified procedural schedule for this matter. By Board Order dated December 19, 2012, the Board approved a stipulation between the Parties that extended the 180-day deadline for review through March 1, 2013.

11. Discovery was propounded by the Signatory Parties, answered by the Company, and is complete. Pursuant to the procedural schedule, on November 9, 2012, Rate Counsel submitted the direct testimony of Robert J. Henkes, Maximilian Chang, and Matthew I. Kahal. On December 7, 2012, South Jersey filed rebuttal testimony of Bruce Grossman and Paul Moul.

12. Two public hearings were held on December 3, 2012 in Voorhees, New Jersey. The Notices of these hearings were published in newspapers of general circulation throughout South Jersey's service territory and sent via certified mail to the municipal and freeholder clerks, and county executives, where appropriate, in the municipalities and counties in South Jersey's territory twenty days in advance of the hearings. No members of the public attended these hearings.

13. By Order dated January 23, 2013, the Board approved a stipulation entered into between the Signatory Parties to extend the EEP I program and the EET tracker through June 30,

2013, and further extend the 180-day RGGI review period deadline to June 30, 2013. Pursuant to that stipulation an "Extension Budget" was developed for the period January 2013 through June 2013. The total of the Extension Budget was \$2,522,469. It is anticipated that this budget will be spent and exhausted as of June 30, 2013.

14. The Signatory Parties held settlement discussions on January 8, 2013 and May 10, 2013.

### **STIPULATIONS**

15. As part of the pending NJCEP administrator transition and the utility working group process in the pending Comprehensive Resource Analysis ("CRA") proceeding<sup>2</sup>, the Signatory Parties understand that modifications may be made to NJCEP programs and policy directions. South Jersey agrees to review the approved programs in cooperation with Board Staff and Rate Counsel to ensure alignment with NJCEP programs and administration. If necessary, modifications will be proposed in the manner set forth below.

### **Programs**

16. The Parties have agreed that South Jersey may continue the following EEP programs, as modified below and described in Appendix A, which will encourage customers to reduce their overall energy usage in support of New Jersey's Energy Master Plan and will create jobs:

- i. Residential Home Performance and Finance Energy Efficiency Program -  
South Jersey will offer up to a \$10,000 repayment plan to qualifying

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<sup>2</sup>In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2013-2016 Clean Energy Program, BPU Docket No. EO11050324v.

Residential Home Performance customers. This repayment plan will have a ten (10) year term at zero (0%) percent interest with no money down. Also; South Jersey will not provide any additional incentive to income eligible customers, as was done in years past. The NJCEP has stopped this practice, and therefore, so has South Jersey. Another major difference is that South Jersey will be the provider of the financing, as opposed to an outside finance agent.

- ii. Non-Residential Energy Efficiency Investment Program - South Jersey will not offer matching incentives. South Jersey will offer a repayment plan up to \$100,000 at zero (0%) percent for a five-year term to qualified customers, who are eligible for incentives through the Smart Start, Retrofit Pay for Performance, and Customer Measure commercial programs.
- iii. Enhanced Residential HVAC Rebate Program - South Jersey will reduce the existing enhanced incentive from \$900 to \$500. This revised rebate will be offered if the customer simultaneously installs an approved central heating and water heating system, and has a home assessment. If the customer chooses, it can opt for a repayment plan, up to \$6,500 at zero percent interest for a five-year term for the simultaneous installation of an approved central heating and water heating system. The customer will not be eligible for both a \$500 rebate and a repayment plan. The customer must select one offer or the other. In either option, the qualifying customer must have a home assessment, as is the case under the existing plan to receive South Jersey's \$900 enhanced rebate.

iv. Commercial Customer Direct Install Financing Program - The modification of this program was to align with the NJCEP program as it exists at the present time. Therefore, South Jersey will offer a repayment plan up to \$37,500 or 30% of the total cost of the project for recommended measures. The term of the repayment plan is for two (2) years, at zero (0%) interest.

17. Appendix A contains a description of each subprogram, a proposed investment and O&M budget for each subprogram, the target market and customer eligibility requirements, the offerings and customer incentives, the delivery methods, the anticipated program participants and related savings estimates, the anticipated job creation estimates, the contracts, a description of the marketing initiatives, how each project compares and/or complements the existing New Jersey Clean Energy program, and the budget for each subprogram.

18. The Signatory Parties agree that these programs will remain in effect from July 1, 2013 through June 30, 2015.

19. The Company anticipates that the work associated with the program will sustain approximately 137 incremental jobs in its service territory. The Company agrees that it will endeavor to work with contractors, consultants, engineering firms, and companies located in New Jersey or that have a close working relationship with the NJ Clean Energy Program. The Company's estimate of the workforce necessary for the EEP does not include any ancillary job impacts that will increase the overall benefits generated from the EEP.

20. The Company will take all reasonable and prudent steps to continue the Energy Efficiency Projects upon receipt of a Final Board Order in this proceeding.

21. The Signatory Parties stipulate that the Board should approve on an interim basis, subject to deferred accounting, subject to refund, cost recovery through the implementation of an EET rate for the subprograms listed in Appendix A, including incremental O&M expenses, totaling \$24,000,000, subject to a prudence review in the Company's Annual EET Filing.

**Cost Recovery Mechanism**

22. The Signatory Parties stipulate that cost recovery through a separate component of the EET will consist of two parts and be affected through a deferred accounting mechanism. One part will recover the amortization of the investments made in participating customer rebates, incentive payments, and the costs of providing customer financing ("program investments") and a return on the unamortized portion of such program investments. The other part will recover incremental O&M expenses associated with the subprograms. Should any customer fail to repay South Jersey his or her portion of the costs associated with the measures installed, all such costs will be recovered within the rate recovery mechanism set forth herein.

23. The Signatory Parties stipulate that the return on the unamortized portion of the program investments be set equal to the Weighted Average Cost of Capital ("WACC") utilized to set rates in South Jersey's Accelerated Infrastructure Replacement Program, BPU Docket No. GO12070670, which was 7.33% overall after tax (10.78% pre tax), utilizing a capital structure with a 51.2% equity component and a return on equity of 9.75%. The WACC will be modified to reflect the WACC used to set rates in subsequent South Jersey base rate cases. 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. 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.

24. The Signatory Parties stipulate that the revenue requirement for all subprograms described in Appendix A, will include the following:

1. WACC stipulated herein or utilized to set rates in the Company's next base rate case.
2. Recovery of reasonable and prudent incremental O&M expenses related to implementation and operation of the subprograms. Incremental O&M will include, but not be limited to, program management, information technology, sales and marketing, program evaluation, training and other costs associated with staffing the required workforce and managing the workforce.
3. A revenue factor of 1.07834 as shown on Appendix B to this Stipulation.

25. The Signatory Parties stipulate that there will be no CHP Program within the subprograms in Appendix A.

26. Attached to this Stipulation is an amended tariff sheet for the EET as Appendix F, which the Signatory Parties stipulate will be effective as determined by the Board in its Order approving this Stipulation.

27. The Signatory Parties stipulate that the revenue requirement stipulated to herein is based upon the projected program investments and projected incremental O&M expenses. To calculate the rate the revenue requirement was divided by the applicable projected therm sales for the 12-month period, representing EEP year July 1, 2013 through June 30, 2014.

#### **Budget Flexibility**

28. Based on market response, spending on the aggregate EE Program or any of the individual programs may be accelerated and completed sooner than the proposed period. To provide flexibility in responding to market conditions and customer demand during the period

July 1, 2013 through June 30, 2015, the Signatory Parties agree that the Company may transfer funding between subprograms in order to maximize energy savings and program resources, subject to the following. No proposed transfers shall be made until at least sixty (60) days after the Company has submitted to the Signatory Parties, a written description of the proposed transfers and the rationale for the proposed transfers. If any Party objects in writing within such forty-five (45) day period after the Company has submitted this information to the Signatory Parties then no transfer that is a subject of the objection will take effect until after the Board has approved the transfer. Except for a situation in which such an objection is filed, no Board Order approving such transfers will be required.

29. Based on market response, the Company may propose to modify subprograms prior to June 30, 2015. No such modification shall take effect without approval by the Board. To propose a modification, the Company shall submit to the Signatory Parties, in writing, a description of its proposed modifications, the rationale for its proposed modifications, and a narrative and schedules showing the effect of its proposed modifications on the costs and benefits of the affected programs. The Company shall present the proposed modifications to the Board for approval if no objections to the proposed modifications are received within forty-five (45) days after that filing. The Company will also report on these modifications in its Annual Filing and the monthly reporting described below.

30. The Company shall file with the Board its compliance EET tariff and initial EET tariff rate within five business days of the date of the Board Order approving this Stipulation.

31. The initial revenue requirement calculation for the EET will commence during the month in which the EET mechanism is approved by the Board and will be based upon projected expenditures for the EET. The monthly over and under recovery calculation will be based upon



actual revenues billed monthly under the EET mechanism applied against the monthly revenue requirement of the EET. The monthly over and under recovery calculation will follow the methodology illustrated in the projected calculation set forth in Appendix C. The calculation of interest shall be based on the average of the net of tax beginning and ending monthly balance. The annual revenue requirement calculation will follow the methodology set forth in Appendix B attached hereto and made a part of this Stipulation.

32. The Signatory Parties stipulate that the Company, as part of its Annual Filing, will file to adjust its EET rate on a calendar basis, with copies provided to the Signatory Parties, in June with a proposed implementation of the revised EET rate in October. Each Annual Filing will contain a reconciliation of its projected EET costs and recoveries and actual revenue requirements for the relevant period, as well as the items set forth in the minimum filing requirements ("MFRs") set forth in Appendix D attached hereto and made a part of this Stipulation. The Annual Filings shall be made available to other parties to this Stipulation, as well as any other interested members of the public, through the prompt posting of all non-confidential portions of those filings on the Company's website. 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. The Annual Filings also will present actual costs since the previous annual review and such costs will then be available for review for reasonableness and prudence. Any Board ordered cost recovery adjustments resulting from the review of the actual costs will be made to the over/under deferred balance and reflected in the charges established for the following year pursuant to a Final Board Order. Each Annual Filing will contain a reconciliation of its projected EET costs and recoveries, actual revenue requirements for the prior

period, and a forecast of revenue requirements for the upcoming 12-month period which shall be based upon the Company's WACC utilized to set rates in this Stipulation or as utilized to set rates in the Company's next base rate case.

33. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based upon the Company's monthly weighted interest rate obtained on its commercial paper and/or bank credit lines. If both commercial paper and bank credit lines have been utilized the weighted average of both sources of capital shall be used. The interest amount charged or credited to the EET will be computed using the methodology set forth in Appendix C attached hereto and made a part of this Stipulation. The monthly interest shall be based on the net average monthly balance, consistent with the methodology set forth in Appendix C. 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 South Jersey's overall rate of return as in South Jersey's WACC utilized to set rates in the Company's Accelerated Infrastructure Replacement Program ("AIRP") in BPU Docket No. GO12070670 (including income tax effects) as identified in Paragraph 23 above. The true-up calculation of over- and under- recoveries shall be included in the Company's Annual Filing. This interest calculation in this paragraph is subject to the condition set forth in paragraph 23.

#### **Minimum Filing Requirements**

34. The Company will provide the information set forth in the MFR attached hereto as Appendix D and made a part of this Stipulation, in its Annual Filing. The Company will also provide in each filing a detailed description of the expenditures that are reflected in the EEP in Appendix A.

### **Rate Design**

35. The Signatory Parties stipulate that rate recovery through the EET rate will be non-bypassable except as provided in the Board's Order in the Company's 2003 base rate case, BPU Docket No. GR03080683, or otherwise provided by law and implemented on a volumetric basis (equal charge per therm applied to throughput of all customer classes). The calculation of the initial EET rate is set forth in Appendix B attached hereto and made a part of this Stipulation.

### **Rate Impact**

36. For this extension of the Company's EEP, the Signatory Parties stipulate to an EET rate of \$0.0035 per therm, including taxes (\$0.0033 without taxes), which would result in \$2.1 million in revenue for the initial period, BEP year one, as set forth in Appendix B. The EET rate will result in a rate increase for a typical residential customer using an average of 100 therms of gas during a month of \$0.35 or 0.3%. The impact on a typical General Service customer using 500 therms during a month would be an increase of \$1.75 or 0.3%.

### **Reporting**

37. The Company will provide monthly reports ("Monthly Activity Reports") identified by docket number to Board Staff and Rate Counsel on program activity related to the subprograms contained in Appendix A and estimated impacts for each calendar month from the Board's approval of the program through June 2015, or such later date as the Board approves for the end of the program. In addition, the Company will continue to submit this information for existing EEP I programs. The Company will include data in these reports consistent with the data reported from the BPU's Clean Energy Program with respect to energy efficiency and will reconcile within 90 days of the execution of this stipulation the data discrepancies and deficiencies with the data being reported. The Company will submit its Monthly Activity Reports in a format that can be electronically uploaded to the Clean Energy Program's reporting

system. The Company will submit each Monthly Activity Report within thirty (30) days after the end of the calendar month covered by the report.

### Job Creation

38. The Signatory Parties agree that job creation is an integral aspect of the EE program. Therefore, the Company agrees to report, in the monthly report provided pursuant to Paragraph 37 herein, (i) the number of full-time equivalents that the Company hires to perform work associated with the EE program, and (ii) the number of full-time equivalents that entities under contract with the Company, or who engage in promoting South Jersey's EEP initiatives to perform work associated with the subprograms described in Appendix A have hired to perform such work. The Signatory Parties agree that reporting of job creation in the monthly report will be in the format contained in the Job Creation Questionnaire, attached hereto as Appendix E. For the purpose of reporting jobs associated with the Company's EE programs, "full-time equivalent" means one or more individuals collectively working a total of 1820 hours annually in connection with the Company's EE program.

39. The New Jersey Department of Labor and Workforce Development (LWD) oversees the Green Job Training Partnership program (GJTP), which is intended to help meet the employment needs of the Company and local contractors by providing graduates of the training program to be considered for employment in occupations needed for implementation of the Program. The Company will conduct the following program activities to support and promote the GJTP:

- a) Promote awareness and enhanced participation of the GJTP, by providing information from LWD about the GJTP to all contractors located within the Company's service territory who are

listed in the NJCEP Home Performance with Energy Star program and are certified by the Building Performance Institute (BPI).

- b) Coordinate and conduct at least two outreach meetings each year, inviting all contractors listed in the NJCEP Home Performance with Energy Star program that are BPI certified, and are at a minimum located within the Company's service territory. The outreach meetings will include a presentation regarding the GJTP, in which LWD will participate along with local GJTP grantees for the territory.
- c) Serve on at least one GJTP Employer Council.
- d) Advise all contractors listed in the NJCEP Home Performance with Energy Star program that are BPI certified and are at a minimum located within the Company's service territory of the benefits of participating on the appropriate GJTP Employer Council.
- e) Post information on the Company's website regarding the GJTP and a link to LWD's website. Information on the GJTP can be found at:<http://lwd.dol.state.nj.us/labor/employer/training/Apprenticeship.html>
- f) Post all vacancies for New Jersey-based jobs through the local One-Stop Career Center. A listing of the local One-Stop Career Centers is located at:<http://lwd.dol.state.nj.us/labor/wnipin/findjob/onestop/services.html>

#### **Government Funding**

40. Subject to any restrictions set forth in the applicable law, if the Company receives federal funds or credits directly related to Energy Efficiency Projects, the Company agrees to utilize that money to offset the EEP program's costs. If funding or credits from state or federal action become available to the Company through the State of New Jersey, a County or Municipality for project reimbursement, the Company agrees that any such funds or credits directly applicable to work related to Energy Efficiency Projects will be used to benefit customers by offsetting the costs for which recovery will be sought to the extent permitted by law.

41. However, in no case shall the combination of federal, state, EEP payments, and NJCEP incentive funding provided equal or exceed 100% of a project's costs through rebates or other direct incentives. If it is determined that a project would be funded equal to or more than 100% through rebates or incentives the parties agree that, subject to any restrictions set forth in applicable law, incentive funding approved as part of this program shall be reduced to bring the total rebates and incentives under 100% of the program costs.

#### Further Provisions

42. 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 particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Signatory 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 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.

43. It is the intent of the Signatory Parties that the provisions hereof be approved by the Board as being in the public interest. The Signatory Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

44. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, neither South Jersey, the Board, Board Staff, or Rate Counsel shall 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

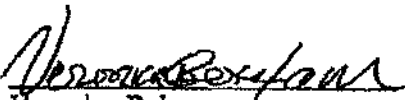
by specific item. This stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

**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.

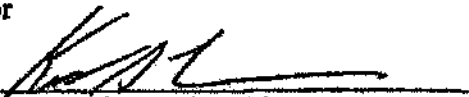
**SOUTH JERSEY GAS COMPANY**

**JOHN J. HOFFMAN**  
ACTING ATTORNEY GENERAL OF NEW  
JERSEY  
Attorney for Staff of the Board of Public Utilities

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

By:   
Veronica Beke  
Deputy Attorney General

**DIVISION OF RATE COUNSEL**  
Stefanie Brand, Esq.  
Director

BY   
Kurt S. Lewandowski, Esq.  
Assistant Deputy Rate Counsel

Dated: June 14, 2013

**South Jersey Gas Company  
Proposed EEP Extension Budget**

	<u>Investment</u>	<u>O&amp;M</u>	<u>Total</u>
<b>Home Performance</b>			
Loans	\$8,668,836	\$1,315,427	\$9,984,263
<b>Enhanced HVAC</b>			
Loans	\$9,132,500		
Grants	\$500,000		
Audits	\$503,250		
Total	<u>\$10,135,750</u>	<u>\$1,315,427</u>	<u>\$11,451,177</u>
<b>Commercial Direct Install</b>			
Loans	\$450,000	\$240,224	\$690,224
<b>Non-Residential</b>	\$1,521,000	\$353,336	\$1,874,336
<b>Total Spending</b>	<u><u>\$20,775,586</u></u>	<u><u>\$3,224,414</u></u>	<u><u>\$24,000,000</u></u>



**SJG WHOLE BUILDING Energy Efficiency Programs  
Home Performance and Finance Energy Efficiency Program Description**

<b>Description of Program</b>	Through this program, SJG will offer eligible customers an aggressive financial package to assist in obtaining whole house energy efficiency, comfort and savings. Customers who choose to opt for Tier III of the Home Performance with Energy Star Program may be eligible for a financing repayment program which will be provided by SJG. This financing effort will cover the cost of qualifying program energy reducing measures, through financing for up to \$10,000, at zero (0%) interest for a ten (10) year term.		
<b>Market Segment/ Efficiency Targeted</b>	All eligible residential customers within the SJG service territory, which are not income eligible for CLEP Low Income Program services. The purpose of this program is to aggressively boost participation in the NJ Home Performance with Energy Star Program®, and to achieve comprehensive energy savings through additional incentives and financing.		
<b>Delivery Method</b>	This program will be delivered through BPI accredited home energy auditors, trained external heating, home improvement and energy service contractors.		
<b>Estimated Program Participants</b>	It is estimated that this plan would generate 950 completed homes within the SJG territory.	<b>Estimated savings</b>	It is estimated that this program will enable the Home Performance Program to produce more completions, at an average of 20% - 25% savings per home. The actual savings calculations will be performed by the current Residential Market Manager. However, based upon a baseline of 804 therms per home in SJG's territory, it is estimated that this program would produce a minimum savings of 19,095 dth annually.
<b>Link to existing programs</b>	This program will link to the Clean Energy Program Low Income, and the NJ Home Performance with Energy Star® program.		

## SJG WHOLE BUILDING Energy Efficiency Programs Home Performance and Finance Energy Efficiency Program Description

<b>Existing Incentives</b>	Please reference the NJ Clean Energy website for existing Incentives: <a href="http://www.njcleanenergy.com">http://www.njcleanenergy.com</a>	<b>Proposed Incentive</b>	SJG will offer eligible customers an aggressive financial package to assist in obtaining whole house energy efficiency, comfort and savings. Qualifying customers who choose to opt for the Home Performance with Energy Star Program, and can achieve a minimum savings of 20%, will be able to receive financing through SJG for the cost of the energy reducing measures. The financing will be capped at \$10,000 at 0% interest for a term of 10 years, with no money down

**SJG WHOLE BUILDING Energy Efficiency Programs  
Home Performance and Finance Energy Efficiency Program Description**

<b>Estimated avoided air emissions</b>	All savings data will be calculated by the Clean Energy Program Market Manager, according to their approved protocols
<b>Anticipated Job Creation</b>	It is anticipated that there will be a need for additional hiring by HVAC contractors for the volume of work to be generated, along with the retention of 125 jobs that were previously created by the Company's EET program. It is also anticipated that the equivalent of three (3) people will continue to be needed within SJG to administer and market the programs to both contractors and the public. These three (3) SJG employees will be allocated across all of the EET2 programs. It is also anticipated that additional resources could be needed to assist in the management of the loan process.
<b>Budget information</b>	\$9,984,263
<b>Marketing Approach</b>	Multi tiered approach: Service providers, and homeowners, direct mail complimented by print and broadcast media channels. Bill stuffers, web site, community outreach and education, trade ally programs, call center "up-selling", and contact customers who have accessed SJG's "Manage Your Account" feature found on SJG's website.
<b>Cost Recovery/ Rate design</b>	O&M for program administration, marketing costs, and recovery on the unamortized loan balances to be collected pursuant to Rider "N" of the Company's Tariff No. 10.
<b>Contractor Role</b>	It will be the role of firms who specialize in training, home auditing, home improvement and energy services, to promote, manage, and implement this program. This program will be coordinated between the services of the Residential Market Manager of the NJCEP, and SJG.

**SJG WHOLE BUILDING Energy Efficiency Programs  
Non Residential Energy Efficiency Investment Program Description**

<b>Description of Program</b>	This program is designed to generate large energy savings for larger commercial / industrial accounts, including but not limited to: multifamily housing complexes, institutions, municipal complexes, schools, medical facilities, hotels and casinos, and industrial users. The program offer is to provide a zero (0) percent financing option up to a maximum of \$100,000 for a 5 year period to SJG non residential customers. The total financed amount will not exceed the total project cost minus all NJCEP rebates and incentives. The needs of the customer would be assessed by a representative if the NJ Clean Energy Program Market Manager and the project would be coordinated with the NJCEP Market Manager.
<b>Market Segment/ Efficiency Targeted</b>	The plan is applicable to all non residential customers within the SJG service territory, however the program will be specifically targeted to larger commercial / industrial customers, housing complexes (both affordable and market based), and the above named groups of customers mentioned earlier.
<b>Delivery Method</b>	The selection of program delivery personnel will be determined by SJG. Program implementation and sales will include outside resources, along with SJG staff. The actual work will be performed by area mechanical contractors, engineering firms, and energy services companies. This program will be offered in cooperation with the assistance of the current NJCEP Commercial Market Manager.

**SJG WHOLE BUILDING Energy Efficiency Programs  
Non Residential Energy Efficiency Investment Program Description**

<b>Estimated Program Participants</b>	It is estimated that 15 customers will participate in this program.	<b>Estimated savings</b>	The savings calculations will be performed by the Commercial Market Manager for the NJCEP. However, based on average customer savings of 2,851.8 dth annually, it is estimated that this program could generate savings of 42,777 dth annually.
<b>Link to existing programs</b>	Link to the New Jersey Clean Energy Program SmartStart, Pay for Performance and Custom Measures Programs.		
<b>Existing Incentives</b>	See 2013 NJCEP web site: <a href="http://www.njcleanenergy.com/commercial-industrial/home">http://www.njcleanenergy.com/commercial-industrial/home</a>	<b>Proposed Incentives</b>	SJG, either through the Company, or through a lending agency, will finance up to \$100,000 at zero (0) percent interest for a five (5) year period to any non-residential customer. The total financed amount will not exceed the total project cost minus all NJCEP rebates and incentives.
<b>Estimated avoided air emissions</b>	Will follow approved NJCEP Protocol.		
<b>Anticipated Job Creation</b>	This program will retain 14 installers, and a variety of sales, administrative, and engineering positions.		
<b>Budget information</b>	\$1,874,336		

**SJG WHOLE BUILDING Energy Efficiency Programs  
Non Residential Energy Efficiency Investment Program Description**

<b>Marketing Approach</b>	The approach to this program will entail a multi-level approach. This program will require marketing from energy service providers and developers; coupled with web site applications, heavy business outreach and education, trade ally programs, trade publications, and contractor outreach. In addition, the communication will need to be supplemented with coordinated utility sales efforts.
<b>Cost Recovery/ Rate design</b>	O&M for program administration, marketing costs, and recovery of applicable rebates and/or financing costs to be recovered pursuant to Rider "N" of the Company's Tariff No. 10.
<b>Contractor Role</b>	It will be the role of energy service contracting firms, energy engineering companies, and engineers who specialize in large applications, to promote, design, and install energy efficiency measures. The program will be coordinated with the commercial market manager of the NJCEP, with assistance from SJG.

**SJG WHOLE BUILDING Energy Efficiency Programs  
Enhanced Residential HVAC Rebate Program Description**

<p><b>Description of Program</b></p>	<p>Currently, the overwhelming majority of customers with existing HVAC equipment that is being replaced due to immediate or imminent equipment failure opt for standard efficiency for their new units. In order to get on track toward the Energy Master Plan savings targets, the state would need nearly every customer faced with an equipment decision to select high efficiency equipment. Since this decision will most likely only be made once by most households between now and the next twenty (20) years, it is critical to start significantly influencing those purchases now. Accordingly, SJG would offer enhanced rebates of \$500 for the simultaneous installation of qualified WARM Advantage heating and water heating equipment purchases. However, customers would only be entitled to this enhanced rebate if they agree to have a Home Performance with Energy Star (HPwES) home energy assessment. These audits will be performed by certified contractors. Tier II and Tier III work would also be performed by HPES certified contractors, and would run through the NJCEP program channels for approval of work and calculation of customer and contractor incentives. In order to help customers finance the cost of upgrading to a qualifying high efficiency heating and water heating system, SJG will finance up to \$6,500 of the installed cost for that project. This repayment plan will be at 0% interest, with no down payment for a 5 year term. Customers that opt for financing will not be eligible for a direct rebate from SJG.</p>
<p><b>Market Segment/ Efficiency Targeted</b></p>	<p>Residential customers that have existing HVAC equipment needing imminent replacement. The program will incent the installation of high efficiency HVAC equipment and the installation of energy conservation measures. This program will target customers in older existing homes, with good potential for whole house energy savings. This program will be utilized as a “driver” to move customers to the proposed Home Performance and Finance Energy Efficiency Program.</p>
<p><b>Delivery Method</b></p>	<p>This program will be directly promoted to customers through HVAC contractors. SJG will work with an outside vendor to</p>

**SJG WHOLE BUILDING Energy Efficiency Programs  
Enhanced Residential HVAC Rebate Program Description**

	<p>process incremental rebates, and may utilize an outside financing agency to assist with loan processing. HPES contractors will perform Tier I audits, and will implement Tier II and Tier III improvements, under the Home Performance and Finance Energy Program.</p>		
<p><b>Estimated Program Participants</b></p>	<p>It is anticipated that 2,405 customers will apply for the rebate and a Tier I audit.</p>	<p><b>Estimated savings</b></p>	<p>It is estimated that the average customer will save approximately 151 therms per year by upgrading to an energy efficient heating system. It is estimated that this program will generate a total savings of 36,315 dth annually.</p>
<p><b>Link to existing programs</b></p>	<ul style="list-style-type: none"> <li>• WARM Advantage</li> <li>• COOL Advantage</li> <li>• Home Performance with Energy Star</li> </ul>		



**SJG WHOLE BUILDING Energy Efficiency Programs  
Enhanced Residential HVAC Rebate Program Description**

<b>Existing Incentives</b>	* WARM Advantage \$250 - 900 per heating system and water heating system.	<b>Proposed Incentive</b>	This proposed plan will offer an incremental rebate of \$500 to customers who simultaneously upgrade to an energy efficient heating and water heater system. A HPES home energy assessment is required to be performed, as a condition to receiving the incremental \$500 rebate from SJG, or the \$6,500 repayment financing package.
<b>Estimated avoided air emissions</b>	All savings will be calculated by the Clean Energy Program Manager, according to approved protocols.		
<b>Anticipated Job Creation</b>	We anticipate that there will be need for additional HVAC contractors for the volume of work to be generated. It is estimated that this program will help to sustain the 125 permanent jobs that have been created as a result of bringing the HVAC and Home Performance Programs to the Southern New Jersey region. If allowed to continue for 24 months, this program will create the need for more installers, auditors, and clerical staff.		
<b>Budget information</b>	\$11,451,177		

**SJG WHOLE BUILDING Energy Efficiency Programs  
Enhanced Residential HVAC Rebate Program Description**

<b>Marketing Approach</b>	This program will be marketed using multi-layered approaches. SJG will market the program directly to customers, and will work with local HVAC contractors to ensure that they understand the additional rebates available and the associated requirements. This program will also be used as an initiative to motivate customers to participate in the Home Performance with Energy Star Program.
<b>Cost Recovery/ Rate design</b>	O&M for program administration, marketing costs, and recovery of applicable rebates and/or financing costs to be collected pursuant to Rider "N" of the Company's Tariff No. 10.
<b>Contractor Role</b>	It will be the role of any local HVAC contractor who is currently engaged in equipment replacement to make the customer aware of the enhanced rebate opportunity. The program will be coordinated with the residential market manager of the NJCLEP, with assistance from SJG.

**SJG WHOLE BUILDING Energy Efficiency Programs  
Commercial Customer Direct Install Financing Program**

<b>Description of Program</b>	This program will encourage participation and implementation of qualified measures or improvements identified by the 2013 NJCEP Direct Install program. The current Clean Energy Plan targets customers with electric demand of < 200 KW demand, however the plan is silent on the size of customers based upon natural gas usage. It is therefore anticipated that SJG will offer qualifying commercial customers whose electric demand is not greater than 200KW, zero (0%) percent financing for 30% of the total cost of the project up to \$37,500, to install approved energy efficient technologies for a 2 year period.
<b>Market Segment/ Efficiency Targeted</b>	The program will be marketed to all SJG customers who can install measures which are eligible for the NJCEP Direct Install program.
<b>Delivery Method</b>	The improvements will be delivered consistent with existing Direct Install channels. SJG will work with the NJCEP Commercial Market Manager, and will employ the services of another energy engineering company, to raise awareness of new financing options with active contractors and commercial customers. This program will also be supported by managerial and sales staff provided by SJG.

**SJG WHOLE BUILDING Energy Efficiency Programs  
Commercial Customer Direct Install Financing Program**

<p><b>Estimated Program Participants</b></p>	<p>It is estimated that 15 customers will participate in this program</p>	<p><b>Estimated savings</b></p>	<p>Energy savings which result from this program will be done by the NJCEP Market Manager, according to approved protocols. However, based on a small GSG customer's average use of 406 dth/yr, a 20% savings plan would produce savings of over 81 dth/yr per customer, totaling 1,215 dth annually.</p>
<p><b>Link to existing programs</b></p>	<p>Directly linked to NJCEP Direct Install program.</p>		
<p><b>Existing Incentives for 2013</b></p>	<p>Direct install- NJCEP currently provides 70 percent of the costs of the recommended measures.</p>	<p><b>Proposed Incentives</b></p>	<p>SJG , either through the Company, or through a lending agency, will provide zero (0) percent financing for 30% of the total cost of installing the recommended measures, up to \$37,500.</p>

**SJG WHOLE BUILDING Energy Efficiency Programs  
Commercial Customer Direct Install Financing Program**

<b>Estimated avoided air emissions</b>	To be calculated by the NJCEP Market Manager, according to approved protocols.
<b>Anticipated Job Creation</b>	It is anticipated that this program would retain 6 installers, and a variety of sales, and administrative staff persons.
<b>Budget information</b>	\$690,224.
<b>Marketing Approach</b>	SJG will partner with the NJCEP Market Manager, and other local energy engineering firms to promote this program by working with contractors, local business organizations, and Chambers of Commerce, industry and trade groups. SJG will also frequently promote this offer through our Web Site, and various print publications
<b>Cost Recovery/ Rate design</b>	O&M for program administration, marketing costs, and recovery of applicable rebates and / or financing costs to be recovered pursuant to Rider "N" of the Company's Tariff No. 10.
<b>Contractor Role</b>	It will be the role of energy service contracting firms, energy engineering companies, and engineers who specialize in large applications, to promote, design, and install energy efficiency measures. The program will be coordinated with the commercial market manager of the NJCLEP, with assistance from SJG.

**South Jersey Gas Company  
Energy Efficiency Tracker Extension  
Annual Revenue Requirement  
EXCLUDES C&I REBATE AND PAY FOR PERFORMANCE**

	<u>Year 1</u>	<u>Year 2</u>
<b><u>DIRECT PROGRAM INVESTMENTS</u></b>		
Annual Investment	\$ 488,000	\$ 515,250
Cumulative Investment	<u>\$ 488,000</u>	<u>\$ 1,003,250</u>
Less Accumulated Amortization	\$ (20,447)	\$ (92,888)
Less Accumulated Deferred Tax	\$ (190,995)	\$ (371,458)
Net Investment	<u>\$ 276,558</u>	<u>\$ 538,904</u>
Rate of Return	10.78%	10.78%
Required Net Operating Income (Based on Avg. Annual Investment)	<u>\$ 15,182</u>	<u>\$ 46,047</u>
Incremental O&M Pre Tax	\$ 375,591	\$ 395,957
Pre Tax Amortization	\$ 20,447	\$ 73,481
Operating Income	<u>\$ 411,220</u>	<u>\$ 515,485</u>
Revenue Factor	1.07834	1.07834
Revenue Requirement	<u>\$ 443,435</u>	<u>\$ 555,868</u>
Revenue Requirement Excluding SUT	<u>\$ 414,425</u>	<u>\$ 519,503</u>
<b><u>LOANS</u></b>		
Annual Investment	\$ 9,163,789	\$ 10,608,547
Less Loan Repayments	\$ (489,366)	\$ (2,064,498)
Net Cumulative Investment	<u>\$ 8,674,423</u>	<u>\$ 8,544,049</u>
Cumulative Investment	\$ 8,674,423	\$ 17,218,472
Rate of Return	10.78%	10.78%
Required Net Operating Income (Based on Avg. Annual Investment)	<u>\$ 422,590</u>	<u>\$ 1,462,244</u>
Incremental O&M Pre Tax	\$ 1,191,160	\$ 1,261,706
Operating Income	<u>\$ 1,613,750</u>	<u>\$ 2,723,951</u>
Revenue Factor	1.07834	1.07834
Revenue Requirement	<u>\$ 1,740,171</u>	<u>\$ 2,937,345</u>
Revenue Requirement Excluding SUT	<u>\$ 1,626,328</u>	<u>\$ 2,745,182</u>
<b><u>RATE CALCULATION</u></b>		
Revenue Requirement For Direct Investments Excluding Taxes	\$ 414,425	\$ 519,503
Revenue Requirement For Loans Programs Excluding Taxes	\$ 1,626,328	\$ 2,745,182
Prior Year (Over)/Under Recovered Deferred Balance Including Carrying Costs	\$ -	\$ 11,772
Total Revenue Requirements	<u>\$ 2,040,753</u>	<u>\$ 3,276,457</u>
Therms	614,845,795	614,845,795
Rate Per Therm Excluding SUT	<u>\$ 0.0033</u>	<u>\$ 0.0053</u>
Rate Per Therm Including SUT	<u>\$ 0.0035</u>	<u>\$ 0.0057</u>



South Jersey Gas Company  
Energy Efficiency Tracker Extension  
Revenue Requirement For Leases

	Projected Jul-13	Projected Aug-13	Projected Sep-13	Projected Oct-13	Projected Nov-13	Projected Dec-13	Projected Jan-14	Projected Feb-14	Projected Mar-14	Projected Apr-14	Projected May-14	Projected Jun-14	Total
1 Monthly Investment	\$ -	\$ -	\$ 755,004	\$ 930,829	\$ 1,016,004	\$ 755,004	\$ 895,004	\$ 755,004	\$ 995,004	\$ 848,255	\$ 1,206,255	\$ 930,028	\$ 9,183,789
2 Lease Loan Repayments	\$ -	\$ -	\$ -	\$ (9,942)	\$ (21,630)	\$ (34,589)	\$ (44,130)	\$ (54,922)	\$ (64,464)	\$ (75,265)	\$ (85,558)	\$ (99,278)	\$ (489,386)
3 Net Monthly Investment	\$ -	\$ -	\$ 755,004	\$ 921,087	\$ 992,373	\$ 720,415	\$ 840,873	\$ 700,082	\$ 929,540	\$ 770,999	\$ 1,120,697	\$ 831,363	\$ 8,674,423
4 Cumulative Investment	\$ -	\$ -	\$ 755,004	\$ 1,676,091	\$ 2,669,464	\$ 3,389,879	\$ 4,330,753	\$ 5,030,834	\$ 5,951,374	\$ 6,722,373	\$ 7,843,070	\$ 8,674,423	\$ 8,674,423
5 Rate of Return ( 10.76% / 12 )	0.8983%	0.8983%	0.8983%	0.8983%	0.8983%	0.8983%	0.8983%	0.8983%	0.8983%	0.8983%	0.8983%	0.8983%	0.8983%
6 Required Net Operating Income	\$ -	\$ -	\$ 6,762	\$ 15,056	\$ 23,860	\$ 30,451	\$ 36,903	\$ 45,192	\$ 53,461	\$ 60,387	\$ 70,464	\$ 77,922	\$ 422,690
7 Incremental O&M Pre Tax	\$ 110,275	\$ 87,954	\$ 87,954	\$ 113,737	\$ 87,954	\$ 87,954	\$ 110,279	\$ 87,954	\$ 127,484	\$ 110,279	\$ 87,954	\$ 91,412	\$ 1,191,160
8 Operating Income	\$ 110,275	\$ 87,954	\$ 94,736	\$ 128,794	\$ 111,934	\$ 118,405	\$ 149,183	\$ 133,146	\$ 180,915	\$ 170,667	\$ 155,409	\$ 169,354	\$ 1,613,750
9 Revenue Factor	1.07534	1.07834	1.07834	1.07834	1.07834	1.07834	1.07834	1.07834	1.07834	1.07834	1.07834	1.07834	1.07834
10 Revenue Requirement	\$ 118,914	\$ 94,844	\$ 102,158	\$ 138,883	\$ 120,703	\$ 127,583	\$ 160,870	\$ 143,576	\$ 195,088	\$ 184,037	\$ 170,818	\$ 182,600	\$ 1,740,171
11 Revenue Requirement Excluding SUT	\$ 111,134	\$ 88,539	\$ 95,474	\$ 129,798	\$ 112,806	\$ 119,328	\$ 150,345	\$ 134,184	\$ 182,325	\$ 171,957	\$ 159,643	\$ 170,654	\$ 1,625,328



South Jersey Gas Company  
Energy Efficiency Tracker Extension  
Monthly Recovery and Interest Calculation

	Projected Jul-13	Projected Aug-13	Projected Sep-13	Projected Oct-13	Projected Nov-13	Projected Dec-13	Projected Jan-14	Projected Feb-14	Projected Mar-14	Projected Apr-14	Projected May-14	Projected Jun-14	Total
1 Period Volumes	32,030,894	30,166,461	26,726,462	27,056,517	39,135,418	67,481,541	93,052,791	91,466,942	83,659,892	56,192,228	37,440,909	30,435,720	614,845,765
2 Recovery Rate	0.0033	0.0033	0.0033	0.0033	0.0033	0.0033	0.0033	0.0033	0.0033	0.0033	0.0033	0.0033	
3 Recoveries	\$ 105,702	\$ 99,549	\$ 88,197	\$ 89,287	\$ 129,147	\$ 222,699	\$ 307,074	\$ 301,841	\$ 275,078	\$ 185,434	\$ 129,856	\$ 100,438	\$ 2,028,981
4 Revenue Requirements Excluding SUT	\$ 147,709	\$ 115,499	\$ 122,831	\$ 173,487	\$ 141,247	\$ 148,306	\$ 189,957	\$ 164,246	\$ 223,573	\$ 213,401	\$ 191,587	\$ 208,909	\$ 2,040,753
5 Less Recoveries	\$ 105,702	\$ 99,549	\$ 88,197	\$ 89,287	\$ 129,147	\$ 222,699	\$ 307,074	\$ 301,841	\$ 275,078	\$ 185,434	\$ 129,856	\$ 100,438	\$ 2,028,981
6 Monthly (Over)/Under Recovered Balance	\$ 42,007	\$ 15,949	\$ 34,634	\$ 84,200	\$ 12,100	\$ (74,383)	\$ (117,117)	\$ (137,595)	\$ (52,505)	\$ 27,967	\$ 68,032	\$ 108,471	\$ 11,762
7 Beginning (Over)/Under Recovered Balance	\$ -	\$ 42,007	\$ 57,956	\$ 92,590	\$ 176,791	\$ 188,891	\$ 114,507	\$ (2,810)	\$ (140,204)	\$ (182,709)	\$ (164,742)	\$ (96,709)	\$ -
8 Ending (Over)/Under Recovered Balance	\$ 42,007	\$ 57,956	\$ 92,590	\$ 176,791	\$ 188,891	\$ 114,507	\$ (2,810)	\$ (140,204)	\$ (192,709)	\$ (164,742)	\$ (96,709)	\$ 11,762	\$ 11,762
9 Average (Over)/Under Recovered Balance (Net of Taxes)	\$ 12,424	\$ 29,584	\$ 44,524	\$ 79,659	\$ 108,150	\$ 86,750	\$ 33,094	\$ (42,237)	\$ (95,459)	\$ (105,716)	\$ (77,924)	\$ 3,479	\$ -
10 Interest (To Customers) / To Company (Net of Taxes)	\$ 4	\$ 10	\$ 15	\$ 27	\$ 37	\$ 38	\$ 14	\$ (18)	\$ (42)	\$ (45)	\$ (33)	\$ 1	\$ 10
11 Cumulative Interest Balance (To Customer)/To Company	\$ 4	\$ 14	\$ 29	\$ 57	\$ 94	\$ 131	\$ 145	\$ 128	\$ 86	\$ 41	\$ 8	\$ 10	\$ 10
12 Interest Rate On (Over)/Under Recovered Balance	0.4095%	0.4095%	0.4090%	0.4000%	0.4690%	0.5080%	0.5080%	0.5090%	0.5080%	0.5080%	0.5060%	0.5080%	0.5080%

## Minimum Filing Requirements

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.
16. Results of program evaluations, including a breakdown by sub-program.

## PUBLIC UTILITY STIMULUS FILINGS JOB CREATION PERFORMANCE TRACKING INSTRUCTIONS

### **BPU Projects Performance Questionnaire: Instructions**

**PART A:** Program information for the South Jersey Gas Energy Efficiency Program.

#### **PART B: Typical project (actual)**

In order to provide a better understanding of your estimates the questions in this section ask about a typical project under this filing.

1. What is the actual size of a typical or average project in this program?
2. Indicate your estimate in square feet.
3. Keeping in mind the typical project you just described, how much did this project cost to complete?
4. Keeping in mind the typical project you described above, how long (in days) did it take to complete this project?
5. What was the total number of workers (FTE) needed to complete this project?

#### **PART C: Direct Jobs**

This section asks more detailed questions about the jobs created by this program.

1. Please provide the total number of new people in this position that have been hired for the program.
2. Please provide the total number of *new* people that have been hired as a result of the programs.
3. What were the titles of the positions filled?

Requirements:

1. What is the minimum education level needed for entry level people hired as a result of these programs?
2. What types of certifications are necessary for people?
3. What specific skills are necessary for new hires?
4. Please provide the minimum, maximum, and average hourly wage for this occupation.

One-Stop Office posting:

How many positions were filled with applicants who completed a New Jersey Labor and Workforce Development Green Jobs Training Program?

#### **PART D: Contract Jobs**

Some of the work in your filing will be contracted out. This section asks specific questions about these proposed contracts. The questions, which are the same as for direct jobs, are reproduced in detail, below.

1. What type of business services will this contract target?
2. How many contracts of this type do you expect to make?
3. How many projects will be served by this type of contract?

**PUBLIC UTILITY STIMULUS FILINGS  
JOB CREATION PERFORMANCE TRACKING INSTRUCTIONS**

**PART E: Comments**

Please provide any additional information that will be helpful in evaluating the job creation portion of your filing.

**SOUTH JERSEY GAS COMPANY**

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

**First Revised Sheet No. 106  
Superseding Original Sheet No. 106**

**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, and as approved by the Board at Docket No. GO12050363, in an Order dated June 21, 2013), 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, utilized in the Company's most recent base rate case.

The EET rate will be calculated annually using projected data and subject to a true-up at the end of the EET year (September 30<sup>th</sup>) 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:

EET Factor per therm	\$0.0090
EET Extension Factor per therm	\$0.0033
	\$0.0123
Applicable Revenue Tax Factor	1.0022
EET Factor per therm	\$0.0123
Applicable NJ Sales Tax Factor	1.07
EET Rate per therm with NJ Sales Tax	\$0.0132

Issued \_\_\_\_\_  
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Public Utilities, State of New Jersey, dated \_\_\_\_\_

**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 6  
Superseding Sixth 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: <sup>(1)</sup>**

<b>Customer Charge:</b>		\$8.9238 per month
<b>Delivery Charge:</b>		
(a)	All consumption for customers who elected to transfer from Firm Sales Service to Firm Transportation Service	\$ <u>5914878</u> per therm
(b)	All consumption for customers who elect Firm Sales Service	\$ <u>5914878</u> per therm
<b>Basic Gas Supply Service ("BGSS") Charge:</b>	All consumption for customers who elect Firm Sales Service.	See Rider "A" of this Tariff.

**APPLICABLE RIDERS:**

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

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

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**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 10  
Superseding Sixth 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: <sup>(1)</sup>**

**Customer Charge:**

\$23.8075 per month

**Delivery Charges:**

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

All therms \$.50254989 per therm

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

All therms \$.50254989 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).

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

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**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 14  
Superseding Sixth 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: <sup>(1)</sup>**

**Customer Charge:**

\$160.50 per month

**Delivery Charges:**

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

**Demand Charge:**

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

**Volumetric Charge:**

C-1FT: \$.3428292 per therm

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

**Demand Charge:**

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

**Volumetric Charge:**

C-1: \$.3428292 per therm

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

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

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**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 19  
Superseding Sixth Revised Sheet No. 19**

**COMPREHENSIVE TRANSPORTATION SERVICE (CTS)**

**APPLICABLE TO USE OF SERVICE FOR:**

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

**CHARACTER OF SERVICE:**

Firm Transportation Service and Limited Firm Transportation Service

**MONTHLY RATE: <sup>(1)</sup>**

**Firm:**

**Customer Charge:** \$642.00 per month

**Delivery Charges:**

**Demand Charge:** D-IFT: \$29.3408 per Mcf of Contract Demand

**Volumetric Charges:**

**C-IFT:**

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

\$1.104307 per therm

**Limited Firm:**

**Customer Charge:** \$107.00 per month

**Delivery Charges:**

**Volumetric Charges:**

**C-IFT:**

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

\$1.132293 per therm

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

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**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 27  
Superseding Sixth Revised Sheet No. 27**

**LARGE VOLUME SERVICE (LVS)**

**APPLICABLE TO USE OF SERVICE FOR:**

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

**CHARACTER OF SERVICE:**

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

**MONTHLY RATE: <sup>(1)</sup>**

**Firm:**

**Customer Charge:**  
\$963.00 per month

**Delivery Charge:**

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

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

**Volumetric Charge:**  
C-1FT: \$.104206 per therm

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

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

**Volumetric Charge:**  
C-1: \$.104206 per therm

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

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**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 23  
Superseding Sixth Revised Sheet No. 23**

**LARGE VOLUME SERVICE (LVS)  
(continued)**

**Basic Gas Supply Service ("BGSS") Charge:**

Demand Charge:

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

Volumetric Charge:

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

**Limited Firm:**

**Customer Charge:**

\$107.00 per month

**Delivery Charge:**

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

Volumetric Charge:

C-1FT: \$.171680 per therm

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

Volumetric Charge:

C-1FT: \$.171680 per therm

**Basic Gas Supply Service ("BGSS") Charge:**

Volumetric Charge:

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

**PRICE TO COMPARE:**

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

**LINE LOSS:**

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

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**SOUTH JERSEY GAS COMPANY**

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

**Fifth Revised Sheet No. 33  
Superseding Fourth Revised Sheet No. 33**

**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 <sup>(1)(2)</sup>**

**WINTER (November - March):**

**Demand Charge:**

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

**Volumetric Charge:**

- C-1: \$.098145 per therm of consumption
  - C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
  - C-3: \$.1432 per therm of consumption
  - C-4: Escalator Rate - Charge may change monthly pursuant to Standard Gas Service Addendum.
- Minimum Bill:** The monthly D-1 and D-2 charges, irrespective of use.

**SUMMER (April - October):**

**Demand Charge:**

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

**Volumetric Charge:**

- C-1: \$.098145 per therm of consumption
- C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
- C-3: \$.1432 per therm of consumption
- C-4: Escalator Rate - Charge may change monthly pursuant to Standard Gas Service Addendum.

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

<sup>(2)</sup> Please refer to Special Provision (p)

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**SOUTH JERSEY GAS COMPANY**

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

**Fifth Revised Sheet No. 40  
Superseding Fourth Revised Sheet No. 40**

**ELECTRIC GENERATION SERVICE (EGS)**

**APPLICABLE TO USE OF SERVICE FOR:**

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

**CHARACTER OF SERVICE:**

Firm Sales Service and Firm Transportation Service

**MONTHLY RATE: <sup>(1)(2)</sup>**

**Residential Customer Charge:**

\$8.9238 per month

**Residential Delivery Charge**

**Residential Volumetric Charge:**

\$2.248145 per therm

**Commercial and Industrial Customer Charge:**

\$26.75 per month

**Commercial and Industrial Delivery Charge:**

**Commercial and Industrial Demand Charge:**

D-1 Charge:

\$6.9550 per Mcf of contract

**Volumetric Charges:**

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

All Consumption for Firm Sales Service

\$2.36933 per therm

All Consumption for Firm Transportation Service

\$2.36933 per therm

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

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

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**SOUTH JERSEY GAS COMPANY**

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

**Fifth Revised Sheet No. 41  
Superseding Fourth Revised Sheet No. 41**

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

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

All Consumption for Firm Sales Service                      \$~~.204812~~ per therm

All Consumption for Firm Transportation Service                      \$~~.204812~~ per therm

**Basic Gas Supply Service ("BGSS") Charge:**

All Consumption                      See Rider "A" of this Tariff.

**LINE LOSS:**

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

**APPLICABLE RIDERS:**

Basic Gas Supply Service Clause:

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

Capital Investment Recovery Tracker:

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

Societal Benefits Clause:

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

Balancing Service Clause

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

Energy Efficiency Tracker:

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

**TERMS OF PAYMENT:**

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

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**SOUTH JERSEY GAS COMPANY**

**B.P.U.N.J. No. 19 - GAS**

**Fifth Revised Sheet No. 45  
Superseding Amended Fourth Revised Sheet No. 45**

**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: <sup>(1)</sup>**

**Customer Charge:**  
\$192.60 per month

**FIRM:**

**Demand Charges: <sup>(2)</sup>**

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

**Volumetric Charge:**

C-1: \$.098145 per therm of consumption  
C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR  
Customer Owned Gas Clause, Rider "D"

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

**LIMITED FIRM:**

**Demand Charge:**

D-2 \$6.7310 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

**Volumetric Charge: <sup>(2)</sup>**

C-1: \$.098145 per therm of consumption  
C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR  
Customer Owned Gas Clause, Rider "D"  
C-3 \$ .1432 per therm for all consumption within Limited Firm Contract Demand level.<sup>1</sup>

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

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

<sup>(2)</sup> Please refer to Special Provision (j).

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**SOUTH JERSEY GAS COMPANY**

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

**Fourth Revised Sheet No. 62  
Superseding Third Revised Sheet No. 62**

**NATURAL GAS VEHICLE (NGV)**

**APPLICABLE TO:**

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

**CHARACTER OF SERVICE:**

Firm Sales Service or Firm Transportation Service

**COMPRESSED NATURAL GAS VEHICLE SERVICE AT COMPANY OPERATED FUELING STATIONS**

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

**Rate for Monthly Consumption**

**Volumetric Charge**

C-1: \$0.098145 per therm (\$0.1226181 GGE\*)

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

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

**Commodity Charges**

All consumption for customers who elected Firm Sales Service

**Basic Gas Supply Service ("BGSS") Charge:**

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

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

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

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**SOUTH JERSEY GAS COMPANY**

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

**Fourth Revised Sheet No. 63  
Superseding Third Revised Sheet No. 63**

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

**NATURAL GAS VEHICLE SERVICE AT CUSTOMER OPERATED FUELING STATIONS**

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

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

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

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

**Rate for Monthly Consumption**

**Monthly Customer Charge**

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

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

**Volumetric Charges**

C-1: \$0.098145 per therm (\$0.1226181 GGE)

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

Basic Gas Supply Service ("BGSS") Charge:

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

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

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**SOUTH JERSEY GAS COMPANY**

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

**Fourth Revised Sheet No. 64  
Superseding Third Revised Sheet No. 64**

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

**DELIVERY SERVICE FOR NATURAL GAS VEHICLES**

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

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

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

**Rate for Delivery Service**

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

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

**Volumetric Charge**

**C-1: \$0.098145 per therm (\$0.1226154 GGE)**

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

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

**APPLICABLE RIDERS FOR COMPANY OWNED AND CUSTOMER OWNED STATIONS:**

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

**Issued** \_\_\_\_\_  
**by South Jersey Gas Company,**  
**E. Graham, President**

**Effective with service rendered**  
**on and after** \_\_\_\_\_

**Filed pursuant to Order in Docket No. GO12050363 of the Board of  
Public Utilities, State of New Jersey, dated** \_\_\_\_\_

SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
Appendix A -

**RESIDENTIAL GAS SERVICE (RSG)**

	BASE RATE	TEEA	RCSS	OTHER FEES	PIA	MI SALES TAX	TARIFF RATE
Customer Charge	8.3400					0.5838	8.9238
CP				0.0966	0.0042	0.0067	0.1034
Delivery Charge:							
COST OF SERVICE	0.4031	0.0102		0.0008	0.0000	0.0289	0.4422
TIC						0.0000	0.0000
SBC:							
CLEP				0.0227	0.0000	0.0018	0.0243
FAC				0.0352	0.0001	0.0025	0.0378
USF				0.0172	0.0000	0.0012	0.0184
TAC				0.0751	0.0001	0.0063	0.0815
CRT				0.0000	0.0000	0.0000	0.0000
EET				0.0041	0.0000	0.0003	0.0044
SBC *J B6-1			0.0471	0.0125	0.0000	0.0009	0.0132
SBC *J BUY-OUT PRICE - Rate set monthly	6.4631	0.0162	0.0471	0.0081	0.0002	0.0033	0.0505
Total						0.8387	6.8614

**RESIDENTIAL SERVICE (RSG) - RATES FOR ALL OTHER**

	BASE RATE	TEEA	RCSS	OTHER FEES	PIA	MI SALES TAX	TARIFF RATE
Customer Charge	8.3400					0.5808	8.9208
Basic Gas Supply Service (RCSB):			0.4886		0.0011	0.0348	0.5225
CP				0.0886	0.0002	0.0067	0.1054
Delivery Charge:							
COST OF SERVICE	0.4031	0.0102		0.0005	0.0000	0.0286	0.4422
TIC						0.0000	0.0000
SBC:							
CLEP				0.0227	0.0000	0.0018	0.0243
FAC				0.0352	0.0001	0.0025	0.0378
USF				0.0172	0.0000	0.0012	0.0184
TAC				0.0751	0.0001	0.0063	0.0805
CRT				0.0000	0.0000	0.0000	0.0000
EET				0.0041	0.0000	0.0003	0.0044
SBC *J B6-1			0.0471	0.0123	0.0000	0.0009	0.0132
Total	6.4031	0.0162	0.0471	0.0821	0.0002	0.8387	6.8614

SOUTH JERSEY GAS COMPANY  
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	BASE RATE	IFEA	MSB	OTHER INDEXES	PLA	ML SALES TAX	TARIFF RATE
Customer Charge	8.3408					0.5838	8.9238
CP				0.0008	0.0001	0.0006	0.0015
Delivery Charge:							
COST OF SERVICE	0.4031	0.0102		0.0006	0.0000	0.0289	0.4422
TIC						0.0000	0.0000
SBC:							
CLEP				0.0227	0.0000	0.0016	0.0243
PAC				0.0352	0.0001	0.0025	0.0378
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0751	0.0001	0.0063	0.0814
TAC				0.0660	0.0000	0.0000	0.0660
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0123	0.0000	0.0009	0.0132
BSC "J" BS-1			0.0471		0.0001	0.0003	0.0505
BSC "J" BUY-OUT PRICE - Pass and modify							
Total	0.4031	0.0102	0.0471	0.0621	0.0002	0.0387	0.5914
Customer Charge	8.3408					0.6136	8.9544
Basic Gas Supply Service (BGS):							
CP			0.4898		0.0011	0.0046	0.5055
Delivery Charge:							
COST OF SERVICE	0.4031	0.0102		0.0006	0.0000	0.0289	0.4422
TIC						0.0000	0.0000
SBC:							
CLEP				0.0227	0.0000	0.0016	0.0243
PAC				0.0352	0.0001	0.0025	0.0378
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0751	0.0001	0.0063	0.0815
TAC				0.0660	0.0000	0.0000	0.0660
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0123	0.0000	0.0009	0.0132
BSC "J" BS-1			0.0471		0.0001	0.0003	0.0505
Total	0.4031	0.0102	0.0471	0.0621	0.0002	0.0387	0.5914

SOUTH JERSEY GAS COMPANY  
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	BASE RATE	IECA	MSIS	OTHER FEES	FUA	MJ SALES TAX	TARRE RATE
Customer Charge	22.1500					1.8775	23.8075
CP				0.0045	0.0021	0.0045	0.6888
Delivery Charge:							
COST OF SERVICE	0.3182	0.0110				0.0231	0.3553
TIC				0.0008	0.0000	0.0000	0.0008
SBC				0.0227	0.0000	0.0018	0.0243
OLEP				0.0082	0.0001	0.0028	0.0378
FMG				0.0172	0.0000	0.0012	0.0184
UNF				0.0761	0.0001	0.0058	0.0866
Total SBC				0.0200	0.0000	0.0000	0.0200
TAC				0.0041	0.0000	0.0000	0.0041
CHRT				0.0123	0.0000	0.0000	0.0123
BET							
BSC "J" SS-1			0.0471		0.0001	0.0000	0.0506
BSC "J" BUY-OUT PRICE - Rate set monthly	0.3182	0.0110	0.0471	0.0024	0.0008	0.0228	0.5825
Total							

SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
Appendix A

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TARGET RATE

	BASE RATE	TEEA	RESSES	OTHER REVENUE	MIA	NA SALES TAX	TARGET RATE
Customer Charge	22.2500					1.5075	23.7575
CP				0.0042	0.0001	0.0045	0.0088
Basic Gas Supply Service (80.803):			0.4808				0.4808
Delivery Charge:							
COST OF SERVICE	0.3182	0.0110				0.0231	0.3523
TIC							
SBC:				0.0006	0.0000	0.0000	0.0006
CLEP							
RAC				0.0227	0.0000	0.0018	0.0245
USF				0.0062	0.0001	0.0025	0.0078
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0751	0.0001	0.0053	0.0805
TAC				0.0000	0.0000	0.0000	0.0000
CRIT				0.0041	0.0000	0.0003	0.0044
BET				0.0123	0.0000	0.0009	0.0132
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.3182	0.0110	0.0471	0.0021	0.0002	0.0239	0.4017

	BASE RATE	TEEA	RESSES	OTHER REVENUE	MIA	NA SALES TAX	TARGET RATE
Customer Charge	22.2500					1.5075	23.7575
CP				0.0042	0.0001	0.0045	0.0088
Basic Gas Supply Service (80.803):			0.4808				0.4808
Delivery Charge:							
COST OF SERVICE	0.3182	0.0110				0.0231	0.3523
TIC							
SBC:				0.0006	0.0000	0.0000	0.0006
CLEP							
RAC				0.0227	0.0000	0.0018	0.0245
USF				0.0062	0.0001	0.0025	0.0078
USF				0.0172	0.0000	0.0012	0.0184
USF				0.0751	0.0001	0.0053	0.0805
TAC				0.0000	0.0000	0.0000	0.0000
CRIT				0.0041	0.0000	0.0003	0.0044
BET				0.0123	0.0000	0.0009	0.0132
BMC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.3182	0.0110	0.0471	0.0021	0.0002	0.0239	0.4017

SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
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	BASE RATE	TEFA	REGS	OTHER REGS	PIA	MI SALES TAX	TARIFF RATE
Customer Charge	180.0000					18.5000	180.5000
D-1 Demand Charge	8.0000					0.5000	8.5000
CP				0.0128	0.0000	0.0000	0.0128
Delivery Charge: COST OF SERVICE	0.1889	0.0110				0.0127	0.1936
TIC				0.0008	0.0000	0.0000	0.0008
SBC:							
CLEP				0.0227	0.0000	0.0016	0.0243
RAC				0.0382	0.0001	0.0026	0.0379
USF				0.0172	0.0000	0.0012	0.0184
				0.0751	0.0001	0.0053	0.0805
TAC				0.0000	0.0000	0.0000	0.0000
CHRT				0.0041	0.0000	0.0008	0.0044
EET				0.0123	0.0000	0.0009	0.0132
BSC *J 88-1			0.0471		0.0001	0.0003	0.0505
BSC *J BUY-OUT PRICE - Rate set monthly							
Total	0.1889	0.0110	0.0471	0.0621	0.0002	0.0228	0.3428

	BASE RATE	TEFA	REGS	OTHER REGS	PIA	MI SALES TAX	TARIFF RATE
Customer Charge	180.0000					18.5000	180.5000
D-1 Demand Charge	8.0000					0.5000	8.5000
Basic Gas Supply Service (BSSS):							RATE SET MONTHLY
CP				0.0128	0.0000	0.0000	0.0128
Delivery Charge: COST OF SERVICE	0.1889	0.0110				0.0127	0.1986
TIC				0.0008	0.0000	0.0000	0.0008
SBC:							
CLEP				0.0227	0.0000	0.0016	0.0243
RAC				0.0382	0.0001	0.0026	0.0378
USF				0.0172	0.0000	0.0012	0.0184
				0.0751	0.0001	0.0053	0.0805
TAC				0.0000	0.0000	0.0000	0.0000
CHRT				0.0041	0.0000	0.0008	0.0044
EET				0.0123	0.0000	0.0009	0.0132
BSC *J 88-1			0.0471		0.0001	0.0003	0.0505
Total	0.1889	0.0110	0.0471	0.0621	0.0002	0.0228	0.3428

SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
Appendix A -

**COMMERCIAL TRANSPORTATION SERVICE FEES**

	BASE RATE	IEFA	ROGS	OTHER RATES	PIA	ALL SALES TAX	TARIFF RATE
--	-----------	------	------	-------------	-----	---------------	-------------

Fixed  
Customer Charge 600.0000 0.0000 0.0000 0.0000 0.0000 42.0000 642.0000

Delivery Charge:  
D-1 DEMAND CHARGE 27.4013 0.0000 0.0000 0.0000 0.0000 1.8196 28.3409

C-1 FT VOLUMETRIC CHARGE:  
SEC 0.0026 0.0032 0.0000 0.0000 0.0000 0.0004 0.0082

CLFP 0.0227 0.0000 0.0000 0.0000 0.0000 0.0016 0.0243  
 RAC 0.0052 0.0001 0.0000 0.0000 0.0000 0.0025 0.0378  
 USF 0.0172 0.0000 0.0000 0.0000 0.0000 0.0112 0.0184  
 Total SEC 0.0781 0.0001 0.0000 0.0000 0.0000 0.0053 0.0835

CHRT 0.0041 0.0000 0.0000 0.0000 0.0000 0.0003 0.0044  
 EET 0.0125 0.0000 0.0000 0.0000 0.0000 0.0009 0.0132

BB-1 ALL THERMS 0.0026 0.0032 0.0000 0.0000 0.0001 0.0000 0.1043  
 BB-1 (On Our Premises) ALL THERMS 0.0118 0.0000 0.0000 0.0000 0.0000 0.0008 0.0128  
 BUY-OUT PRICE 0.0025 0.0000 0.0000 0.0000 0.0000 0.0002 0.0027

Local Fixed  
Customer Charge 100.0000 0.0000 0.0000 0.0000 0.0000 7.0000 107.0000

Delivery Charge:  
C-1 FT VOLUMETRIC CHARGE:  
SEC 0.0023 0.0032 0.0000 0.0000 0.0000 0.0023 0.0348  
 CLFP 0.0227 0.0000 0.0000 0.0000 0.0000 0.0016 0.0243  
 RAC 0.0052 0.0001 0.0000 0.0000 0.0000 0.0025 0.0378  
 USF 0.0172 0.0000 0.0000 0.0000 0.0000 0.0112 0.0184  
 Total SEC 0.0781 0.0001 0.0000 0.0000 0.0000 0.0053 0.0835

CHRT 0.0041 0.0000 0.0000 0.0000 0.0000 0.0003 0.0044  
 EET 0.0125 0.0000 0.0000 0.0000 0.0000 0.0009 0.0132

BB-1 ALL THERMS 0.0023 0.0032 0.0000 0.0000 0.0001 0.0000 0.1259  
 BB-1 (On Our Premises) ALL THERMS 0.0118 0.0000 0.0000 0.0000 0.0000 0.0008 0.0128  
 BUY-OUT PRICE 0.0025 0.0000 0.0000 0.0000 0.0000 0.0002 0.0027

Total C-1 VOLUMETRIC CHARGE 0.0023 0.0032 0.0000 0.0000 0.0000 0.0023 0.0348

Total C-1 VOLUMETRIC CHARGE 0.0023 0.0032 0.0000 0.0000 0.0000 0.0023 0.0348

Rate Set Monthly

Rate Set Monthly

Rate Set Monthly

Rate Set Monthly

Rate Set Monthly

Rate Set Monthly

Rate Set Monthly

Rate Set Monthly

Rate Set Monthly



SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
Appendix A

Item	BASE RATE	TUEA	BSSS	OTHER RATES	PIA	ML SALES TAX	TARIFF RATE
<b>LARGE VOLUMETRIC SERVICE (LVS)</b>							
Customer Charge	\$60.0000					\$3.0000	\$63.0000
Delivery Charge:							
D-1 DEMAND CHARGE	14.8942					1.0415	18.9361
C-1 VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0025	0.0032				0.0004	0.0061
SBC:							
CLEP				0.0227	0.0000	0.0019	0.0246
FAC				0.0052	0.0001	0.0025	0.0078
USF				0.0172	0.0000	0.0012	0.0184
Total SBC				0.0451	0.0001	0.0036	0.0488
CHT				0.0041	0.0000	0.0003	0.0044
EET				0.0123	0.0000	0.0006	0.0129
Total C-1 VOLUMETRIC CHARGE	0.0025	0.0032		0.0492	0.0001	0.0044	0.0589
BS-1 ALL THERMS					0.0000	0.0008	0.0126
BS-1 (Out of Provision) ALL THERMS					0.0000	0.0002	0.0027
BSC T-1 CASH OUT CHARGE(CREDIT)			0.0118				
			0.0025				
<b>Limited Firm</b>							
Customer Charge	100.0000					7.9950	107.9950
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0658	0.0032			0.0000	0.0048	0.0738
SBC:							
CLEP				0.0227	0.0000	0.0016	0.0243
FAC				0.0052	0.0001	0.0025	0.0078
USF				0.0172	0.0000	0.0012	0.0184
Total SBC				0.0451	0.0001	0.0036	0.0488
CHT				0.0041	0.0000	0.0003	0.0044
EET				0.0123	0.0000	0.0006	0.0129
Total C-1 VOLUMETRIC CHARGE	0.0658	0.0032		0.0492	0.0001	0.0048	0.0729
BS-1 ALL THERMS					0.0000	0.0008	0.0126
BS-1 (Out of Provision) ALL THERMS					0.0000	0.0002	0.0027
BUY-OUT PRICE							

RATE SET MONTHLY

RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY  
 Schedule of Rate Components  
 Appendix A

	BASE RATE	IEFA	FEES	OTHER FEES	PLA	SALES TAX	TARIFF RATE	Page 8
Customer Charge	910.0000					63.0000	963.0000	
Basic Gas Supply Service (0.0005): C-1 BBSB			12.5000		0.0276	0.3807		RATE SET MONTHLY 13.4618
D-1 DEMAND CHARGE								
Delivery Charge: D-1 DEMAND CHARGE	14.0000					1.0418		15.0418
C-1 VOLUMETRIC CHARGE: C-1 COST OF SERVICE SBC	0.0025	0.0032				0.0004		0.0061
CLSP RAC USF				0.0227	0.0000	0.0016		0.0243
				0.0362	0.0001	0.0025		0.0378
				0.0172	0.0000	0.0012		0.0184
				0.0751	0.0001	0.0083		0.0835
				0.0041	0.0000	0.0003		0.0044
				0.0123	0.0000	0.0009		0.0132
				0.0818	0.0001	0.0000		0.0842
				0.0118	0.0000	0.0000		0.0126
								107.0000
Total SBC								
Total C-1 VOLUMETRIC CHARGE	0.0025	0.0032	0.0900			0.0000		0.0735
BB-1 ALL THERMS Limited Use Customer Charge	100.0000					7.0000		107.0000
Delivery Charge: C-1 FT VOLUMETRIC CHARGE: C-1 COST OF SERVICE SBC	0.0855	0.0032				0.0046		0.0933
CLSP RAC USF				0.0227	0.0000	0.0016		0.0243
				0.0362	0.0001	0.0025		0.0378
				0.0172	0.0000	0.0012		0.0184
				0.0751	0.0001	0.0083		0.0835
				0.0041	0.0000	0.0003		0.0044
				0.0123	0.0000	0.0009		0.0132
				0.0818	0.0001	0.0000		0.0842
				0.0118	0.0000	0.0000		0.0126
								107.0000
Total C-1 VOLUMETRIC CHARGE	0.0855	0.0032	0.0900			0.0046		0.0933
BB-1 ALL THERMS BB-1 (Cost Out Provision) ALL THERMS BUY-OUT PRICE			0.0118		0.0000	0.0006		0.0126
			0.0025		0.0000	0.0002		0.0027
								RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY  
Schedules of Rate Components  
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DESCRIPTION	BASE RATE	TEEA	OTHER	PMA	SALES TAX	TARIFF RATE
<b>DELIVERY DEMAND SERVICE (D-1)</b>						
Customer Charge	25.0000				1.7500	26.7500
D-1 DEMAND	6.5000				0.4500	6.9500
<b>Basic Gas Supply Service (BSSB)</b>						
Delivery Charge - Winter Season (Wtr - Wtr)						
COST OF SERVICE	0.0825					
<b>BSSC</b>					0.0069	0.0893
CLFP						
RAC			0.0227	0.0000	0.0018	0.0243
USF			0.0362	0.0001	0.0026	0.0378
			0.0172	0.0000	0.0012	0.0184
			0.0761	0.0001	0.0063	0.0825
Reloading Charge BSC'J BS-1		0.0471		0.0001	0.0033	0.0505
CHRT						
EET			0.0041	0.0000	0.0003	0.0044
			0.0123	0.0000	0.0008	0.0132
<b>Total C-1 VOLUMETRIC CHARGE (PMS &amp; FTB)</b>	0.0825	0.0471	0.0916	0.0002	0.0126	0.2339
<b>DELIVERY CHARGE - Summer Season (Agr - Oct)</b>						
COST OF SERVICE	0.0825					
<b>BSSC</b>					0.0037	0.0862
CLFP						
RAC			0.0227	0.0000	0.0018	0.0243
USF			0.0362	0.0001	0.0026	0.0378
			0.0172	0.0000	0.0012	0.0184
			0.0761	0.0001	0.0063	0.0825
Reloading Charge BSC'J BS-1		0.0471		0.0000	0.0033	0.0504
CHRT						
EET			0.0123	0.0000	0.0008	0.0132
<b>Total C-1 VOLUMETRIC CHARGE (PMS &amp; FTB)</b>	0.0825	0.0471	0.0916	0.0002	0.0126	0.2339

SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
Appendix A

REGULATORY INFORMATION / SERVICE / OTHER	BASE RATE	ITFA	ADDD	OTHER REVERS	PVA	NJ SALES TAX	TARIFF RATE
Customer Charge	4.3460					0.2638	4.9238
Basic Gas Supply Services (90057)			0.4968		0.0011	0.0348	0.5325
Delivery Charge						0.0085	0.0085
COST OF SERVICE	0.0830						
SBC:							
CLIP				0.0227	0.0000	0.0016	0.0243
RAC				0.0032	0.0001	0.0025	0.0078
USF				0.0172	0.0000	0.0012	0.0184
				0.0751	0.0001	0.0053	0.0805
Total SBC			0.0471		0.0003	0.0033	0.0505
Balancing Charge BSC-J' BS-1				0.0041	0.0000	0.0003	0.0044
CHT				0.0128	0.0000	0.0009	0.0132
BET							
Total C-1 VOLUMETRIC CHARGE (P&S & FTG)	0.0830		0.471	0.0815	0.0002	0.0183	0.5841



SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
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	BASE RATE	INFA	BOSS	ROBEX	PUS	ML SALES TAX	TARIFF RATE
<b>DEMAND BENCHMARK</b>							
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.8672		0.2798		0.0138	0.2826	3.1000
D-2 DEMAND BOSC (applicable to Sales Customers Only)						0.4463	6.7310
C-1 CLEP				0.0227	0.0000	0.0016	0.0243
C-1 RAC				0.0262	0.0001	0.0025	0.0370
C-1 USF				0.0172	0.0000	0.0012	0.0184
CRT				0.0041	0.0000	0.0003	0.0044
BET				0.0123	0.0000	0.0008	0.0132
<b>Total C-1 VOLUMETRIC CHARGE</b>				0.0918	0.0001	0.0085	0.0981
C-3 All Terms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.9084	0.1432
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)							
C-2 BOSC/COC							
BSC T CASH OUT CHARGE (CREDIT)							
<b>DEMAND</b>							
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.8672		0.2798		0.0138	0.2826	3.1000
D-2 DEMAND BOSC (applicable to Sales Customers Only)						0.4463	6.7310
C-1 CLEP				0.0227	0.0000	0.0016	0.0243
C-1 RAC				0.0262	0.0001	0.0025	0.0370
C-1 USF				0.0172	0.0000	0.0012	0.0184
CRT				0.0041	0.0000	0.0003	0.0044
BET				0.0123	0.0000	0.0008	0.0132
<b>Total C-1 VOLUMETRIC CHARGE</b>				0.0918	0.0001	0.0085	0.0981
C-3 All Terms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.9084	0.1432
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)							
C-2 BOSC/COC							
BSC T CASH OUT CHARGE (CREDIT)							

RATE SET MONTHLY  
RATE SET MONTHLY  
RATE SET MONTHLY

RATE SET MONTHLY  
RATE SET MONTHLY  
RATE SET MONTHLY

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

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<b>NATURAL GAS VOLUMETRIC CHANGE</b>		<b>BASE RATE</b>	<b>TARIFF RATE</b>
<b>Customer Category</b>	<b>Service</b>	<b>FEA</b>	<b>NU SALES TAX</b>
<b>Customer Category: Residential</b>			
C-1 CLBP		0.0227	0.0116
C-1 RAC		0.0362	0.0225
C-1 USF		0.0172	0.0102
CRT		0.0041	0.0003
BET		0.0123	0.0069
<b>Total C-1 VOLUMETRIC CHANGE</b>			
Distribution Charge:		0.0002	0.0073
Compression Charge		0.0012	0.0372
Basic Gas Supply Service (BGSB):			
Rider "T" - BS-1 ALL THERMS	0.0118	0.0000	0.0008
Rider "T" - BS-1 (Opt Out Provision) ALL THERMS	0.0025	0.0000	0.0002
Rider "J" - BS-1	0.0471	0.0001	0.0033
<b>Customer Category: Commercial/Industrial</b>			
Service Charge			
	0 - 999 CF/hour	0.1047	
	1,000 - 4,999 CF/hour	0.6300	
	5,000 - 24,999 CF/hour		
	25,000 or Greater CF/hour		
C-1 CLBP		0.0227	0.0116
C-1 RAC		0.0362	0.0225
C-1 USF		0.0172	0.0102
CRT		0.0041	0.0003
BET		0.0123	0.0069
<b>Total C-1 VOLUMETRIC CHANGE</b>			
Distribution Charge:		0.0002	0.0073
Basic Gas Supply Service (applicable Basic Customers only)			
Rider "T" - BS-1 ALL THERMS	0.0118	0.0000	0.0008
Rider "T" - BS-1 (Opt Out Provision) ALL THERMS	0.0025	0.0000	0.0002
Rider "J" - BS-1	0.0471	0.0001	0.0033

RATE SET MONTHLY

RATE SET MONTHLY

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**INTERMEDIATE SERVICE, YARD & STREET LIGHTING**

	BASE RATE	IEFA	REGS	CITY/STREET LIGHTING	PLA	ML SALES TAX	TARGET RATE
<b>SERVICE CHARGE</b>	190.5000					7.0000	197.5000
<b>TRANS CHARGE A</b>	0.0284	0.0032				0.0022	0.0338
SBC:							
CLEP				0.0227	0.0000	0.0116	0.0343
RAC				0.0052	0.0001	0.0025	0.0078
USF				0.0172	0.0000	0.0012	0.0184
Total SBC:				0.0451	0.0001	0.0153	0.0605
CRT				0.0041	0.0000	0.0000	0.0041
BET				0.0123	0.0000	0.0000	0.0123
<b>TRANS CHARGE B</b>	0.0002	0.0032				0.0007	0.0041
SBC:							
CLEP				0.0227	0.0000	0.0016	0.0243
RAC				0.0052	0.0001	0.0025	0.0078
USF				0.0172	0.0000	0.0012	0.0184
Total SBC:				0.0451	0.0001	0.0053	0.0505
CRT				0.0041	0.0000	0.0000	0.0041
BET				0.0123	0.0000	0.0000	0.0123
<b>TRANS CHARGE C</b>	0.1532	0.0032				0.0189	0.1753
SBC:							
CLEP				0.0227	0.0000	0.0016	0.0243
RAC				0.0052	0.0001	0.0025	0.0078
USF				0.0172	0.0000	0.0012	0.0184
Total SBC:				0.0451	0.0001	0.0053	0.0505
CRT				0.0041	0.0000	0.0000	0.0041
BET				0.0123	0.0000	0.0000	0.0123



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		Page 15			JASPER RATE
					Rate Set Monthly
OTHER	BASE RATE	DETA	REBE	OTHER	BASE RATE
BASE RATE	DETA	REBE	OTHER	BASE RATE	DETA
0.0082					
0.0352	0.0001	0.0025	0.0078	0.0001	0.0378
0.0172	0.0000	0.0012	0.0184	0.0000	0.0184
0.0084	0.0001	0.0037	0.0082	0.0001	0.0082
0.0041	0.0000	0.0003	0.0044	0.0000	0.0044
0.0123	0.0000	0.0009	0.0132	0.0000	0.0132
5.1650	0.0110	4.8368	11.5702	0.7989	
5.8485	0.0110	6.9652	14.5659	0.8029	

SBC:  
RAC  
USF  
Total SBC:  
CRT  
SET

MONTHLY CHANGE / INSTALL

MONTHLY CHANGE / INSTALL

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**Heat Residential Rate Schedule:**

	R90-F98	R90-F78	Difference
BGSS	0.5325	0.0000	0.5325
Cost of Service	0.4422	0.4422	0.0000
CLEP	0.0243	0.0243	0.0000
RAC	0.0378	0.0378	0.0000
TAC	0.0000	0.0000	0.0000
CIP	0.1224	0.1224	0.0000
USF	0.0184	0.0184	0.0000
TIC	0.0008	0.0008	0.0000
CRY	0.0044	0.0044	0.0000
EET	0.0132	0.0132	0.0000
BSC "J" BS-1	0.0000	0.0000	0.0000
<b>Price to Compare</b>	<b>1.2055</b>	<b>0.6838</b>	<b>0.5217</b>

**NonHeat Residential Rate Schedule:**

	R90-F98	R90-F78	Difference
BGSS	0.5325	0.0000	0.5325
CIP	0.0343	0.0343	0.0000
Cost of Service	0.4422	0.4422	0.0000
CLEP	0.0243	0.0243	0.0000
RAC	0.0378	0.0378	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0184	0.0184	0.0000
TIC	0.0008	0.0008	0.0000
CRY	0.0044	0.0044	0.0000
EET	0.0132	0.0132	0.0000
BSC "J" BS-1	0.0000	0.0000	0.0000
<b>Price to Compare</b>	<b>1.1784</b>	<b>0.6458</b>	<b>0.5325</b>

**G80**

(Under 5,000 therms annually)

	G80-F98	G80-F78	Difference
BGSS	0.6328	0.0000	0.6328
CIP	0.0888	0.0888	0.0000
Cost of Service	0.3653	0.3653	0.0000
CLEP	0.0243	0.0243	0.0000
RAC	0.0378	0.0378	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0184	0.0184	0.0000
TIC	0.0008	0.0008	0.0000
CRY	0.0044	0.0044	0.0000
EET	0.0132	0.0132	0.0000
BSC "J" BS-1	0.0000	0.0000	0.0000
<b>Price to Compare</b>	<b>1.1638</b>	<b>0.5713</b>	<b>0.5925</b>

**G83**

(5,000 therms annually or greater)

	G83-F98	G83-F78	Difference
BGSS	0.5088	0.0000	0.5088
CIP	0.0888	0.0888	0.0000
Cost of Service	0.3628	0.3628	0.0000
CLEP	0.0243	0.0243	0.0000
RAC	0.0378	0.0378	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0184	0.0184	0.0000
TIC	0.0008	0.0008	0.0000
CRY	0.0044	0.0044	0.0000
EET	0.0132	0.0132	0.0000
BSC "J" BS-1	0.0000	0.0000	0.0000
<b>Price to Compare</b>	<b>1.0788</b>	<b>0.5713</b>	<b>0.5075</b>

**G86-LV**

Price to 27587

	G86-LV-F98	G86-LV-F78	Difference
BGSS	0.5088	0.0000	0.5088
CIP	0.0138	0.0138	0.0000
Cost of Service	0.1838	0.1838	0.0000
CLEP	0.0243	0.0243	0.0000
RAC	0.0378	0.0378	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0184	0.0184	0.0000
TIC	0.0008	0.0008	0.0000
CRY	0.0044	0.0044	0.0000
EET	0.0132	0.0132	0.0000
BSC "J" BS-1	0.0000	0.0000	0.0000
<b>Price to Compare</b>	<b>0.8851</b>	<b>0.3628</b>	<b>0.5223</b>