



**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  
[www.nj.gov/bpu](http://www.nj.gov/bpu)

ENERGY

IN THE MATTER OF THE PETITION OF	)	DECISION AND ORDER
SOUTH JERSEY GAS COMPANY TO REVISE	)	APPROVING STIPULATION
THE LEVEL OF ITS BASIC GAS SUPPLY	)	FOR PROVISIONAL BGSS
SERVICE ("BGSS") CHARGE AND TO REVISE	)	AND CIP RATES
THE LEVEL OF ITS CONSERVATION INCENTIVE	)	
PROGRAM ("CIP") CHARGES FOR THE YEAR	)	
ENDING SEPTEMBER 30, 2013	)	DOCKET NO. GR12060475

**Parties of Record:**

**Ira G. Megdal, Esq.**, for petitioner South Jersey Gas Company (Cozen O'Connor)  
**Stefanie Brand, Esq.**, Director, for the New Jersey Division of Rate Counsel

BY THE BOARD:

**BACKGROUND**

Per the generic Order of the New Jersey Board of Public Utilities ("Board") dated January 6, 2003, in Docket No. GX01050304 ("January BGSS Order"), each of New Jersey's four gas distribution companies ("GDCs") submits to the Board its annual Basic Gas Supply Service ("BGSS") gas cost filing by June 1 for the BGSS year beginning October 1. In addition, the January BGSS Order authorizes each GDC to self-implement up to a 5% BGSS increase effective December 1 of the current year and February 1 of the following year with one month's advance notice to the Board and the Division of Rate Counsel ("Rate Counsel"). Each GDC may implement a decrease in its BGSS rates at any time, without prior Board approval after notice to the Board and Rate Counsel.

In accordance with the above noted Order, on June 1, 2012, South Jersey Gas Company ("Company" or "SJG") filed with the Board its annual petition to establish new Periodic BGSS rates for the period October 1, 2012 through September 30, 2013. The Company's petition sought a decrease of \$0.1168 per therm to its BGSS charge reducing it from \$0.6493 per therm including taxes to \$0.5325 per therm including taxes. This change, if approved, will decrease the monthly bill of an average residential heating customer utilizing 100 therms of gas during a month by \$11.68 or 8.8%, and will decrease the annual bill of a residential heating customer utilizing 1,000 therms of gas per year from \$1,324.09 to \$1,225.29 or by \$116.80 or 8.7%.

The petition also requested the following revisions: 1) setting the gas cost portion of the Company's D-2 charge for Rate Schedule Large Volume Service ("LVS") at \$13.4618 per Mcf, including taxes; 2) setting the gas cost portion of the Firm D-2 charges at \$15.2755 per Mcf, including taxes, and the Limited Firm D-2 charges at \$6.7310 per Mcf, including taxes for Rate Schedule Electric Generation-Large Volume ("EGS-LV"); 3) setting the gas cost portion of the D-2 charge at \$6.7310 per Mcf, including taxes for Rate Schedule Firm Electric Service ("FES"); and 4) setting the monthly BGSS non-commodity rate applicable to Rate Schedules General Service Gas ("GSG"), General Service Gas-Large Volume ("GSG-LV"), Electric Generation Service ("EGS"), LVS and EGS-LV at \$0.1701 per therm including taxes.

The Combination of the BGSS changes explained in the above two paragraphs would result in a decrease in annual BGSS revenues to the Company of approximately \$27.04 million, including taxes, over the recovery period and a decrease in annual revenues of \$25.21 million, not including taxes, over the same recovery period. The Company is currently collecting approximately \$167.31 million, including taxes, in BGSS revenues and approximately \$156.03 million, not including taxes, in BGSS revenues. The Company forecasts an under-recovered balance of \$7.96 million as of October 1, 2012 and an over-recovered balance of \$5,978 as of September 30, 2013.

The Petition also included a Conservation Incentive Program ("CIP")<sup>1</sup> proposal seeking approval of the following changes to its after-tax per therm CIP rates: (a) an increase in the charge from \$0.0507 to \$0.0545 for Group I Residential Services ("RSG") Non-Heating customers, (b) an increase in the charge from \$0.0095 to \$0.1024 for Group II RSG Heating Customers, (c) an increase in the charge from \$0.0002 to \$0.0688 for Group III GSG customers, and (d) an increase in the charge from \$0.0018 to \$0.0138 for Group IV GSG-LV customers effective as of October 1, 2012. The Company seeks to revise the level of the Company's CIP recovery rates for the CIP year, October 1, 2012 through September 30, 2013, resulting in a \$30.43 million increase, including taxes, (\$28.38 million, not including taxes) in revenues to SJG which translates into an increase of approximately \$9.29 per month or 7.0% to the average residential heating customer using 100 therms per month, and an increase of approximately \$92.90 annually or 6.9% to the average residential heating customer using 1,000 therms per year. Of the \$30.43 million, \$21.26 million is weather related and \$9.17 million is non-weather related. The Company is currently collecting approximately \$2.6 million, including taxes (\$2.44 million, not including taxes) in CIP revenues. The Company forecasts an over-recovered balance of \$2.81 million as of October 1, 2012 and an overrecovered balance of \$1,261 as of September 30, 2013.

Pursuant to the Board's October 12, 2006 Order in Docket No. GR05121019, any non-weather related CIP surcharges must be offset by reductions in capacity related BGSS related costs. The Company reported total CIP related revenue of \$27.99 million and deducted an amount of \$19.55 million representing warmer than normal weather<sup>2</sup>. The resulting amount, \$8.44 million, represents the non-weather related portion of CIP revenue. According to the Company, total reductions in capacity based BGSS costs were \$10.47 million for the period.

<sup>1</sup> The CIP was approved by the Board in Docket No. GR05121019 in Board Orders dated October 12 and December 12, 2006 ("CIP Order"). The CIP encourages the Company to foster customer conservation by allowing it to share in energy related savings due to conservation. The non-weather related CIP surcharges are limited to corresponding decreases in specific supply related costs incorporated in the Company's BGSS Rates. The CIP surcharge is also subject to a ROE cap of 10.0%.

<sup>2</sup> Colder than normal weather would be represented by a negative amount.

As proposed, the net annual revenue increase to the Company from the BGSS and CIP revisions is approximately \$3.39 million (including taxes). If approved, the combined proposed changes in the Company's BGSS and CIP rates would result in a net decrease of approximately 1.8% or \$2.39 per month after taxes to the total bill of an average residential heating customer utilizing 100 therms per month, and a net decrease of approximately 1.8% or \$23.90 per year after taxes to the total bill of an average residential heating customer utilizing 1,000 therms per year.

After publication of notice in newspapers of general circulation in SJG's service territory, two public hearings in this matter were held on August 15, 2012, in Voorhees, New Jersey. The public notice also advised customers that the Board's January BGSS Order granted the Company the discretion to self-implement an increase in its BGSS rates to be effective December 1, 2012 and/or February 1, 2013 after prior notice to the Board and Rate Counsel, with each increase capped at 5% of the total residential bill. The public notice also stated that the Company is permitted to decrease its BGSS rate at any time upon two weeks' notice to the Board and Rate Counsel.

No members of the public appeared to provide comments related to the Company's filing.

### **STIPULATION FOR PROVISIONAL BGSS AND CIP RATES<sup>3</sup>**

Following discussions among representatives of SJG, Rate Counsel and Board Staff, the only parties to the proceeding at this time (collectively, the "Parties"), entered into the attached Stipulation for Provisional BGSS and CIP Rates dated August 31, 2012.

The key provisions of the Stipulation for Provisional BGSS and CIP Rates are as follows:

- 1) The Parties have determined that additional time is needed to complete the review of Petitioner's proposed BGSS and CIP rates and related issues. However, the Parties also agree that it would be reasonable for the Board to authorize the following rate changes on a provisional basis, subject to refund with interest on any net over-recovered BGSS balance and an opportunity for a full review at the OAL, if necessary, and final Board approval.
- 2) The Parties agree that pending conclusion of any further review and discussions among the Parties, it would be reasonable and in the public interest for the Board to authorize the following rate changes on a provisional basis: a) the Company's Periodic BGSS rate should be set at \$0.5325 per therm (including taxes); b) (1) the gas cost portion of the Company's D-2 charge for Rate Schedule LVS should be set at \$13.4618 per Mcf (including taxes); (2) the gas cost portion of the Company's Firm D-2 charges should remain unchanged at \$15.2755 per Mcf (including taxes), and the Limited Firm D-2 charges should be set at \$6.7310 per Mcf (including taxes) for Rate Schedule EGS-LV; 3) the gas cost portion of the Company's D-2 charge should be set at \$6.7310 per Mcf (including taxes) for Rate Schedule FES; and 4) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV should be set at

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

\$0.1701 per therm (including taxes); and c) the Company's CIP rates should be set as follows, on a per therm after tax basis: a charge of \$0.0545 for Group I RSG Non-Heating Customers, a charge of \$0.1024 for Group II RSG Heating Customers, a charge of \$0.0688 for Group III GSG Customers, and a charge of \$0.0138 for Group IV GSG-LV Customers effective October 1, 2012, or on the date the Board chooses.

- 3) The proposed Periodic BGSS charge set forth in this Stipulation of \$0.5325 per therm, including taxes, will decrease the bill of a residential customer using 100 therms during a winter month from \$132.42 to \$120.74. This is a monthly decrease of \$11.68 or 8.8%. This Stipulation would result in a reduction in BGSS revenues of approximately \$27.0 million (including taxes) and would result in a total recovery of approximately \$181.6 million (including taxes) in BGSS revenues to the Company.
- 4) The proposed CIP rates set forth in this Stipulation result in an increase of \$9.29, or 7.0% per month, to the residential heating customer using 100 therms of gas a month. The overall impact on a residential non-heat customer using 15 therms of gas a month is an increase of \$0.06 or 0.2%. The impact on a GSG customer using 500 therms of gas a month is an increase of \$34.30 or 5.8% and the impact on a GSG-LV customer using 15,646 therms of gas a month is an increase of \$187.75 or 1.6%.
- 5) The Company will continue to provide electronically to the Parties on a monthly Basis the BGSS NYMEX Update Report and a monthly report showing the calculation of net gas per therm, on the schedule previously agreed to.

### **DISCUSSION AND FINDING**

The Board, having carefully reviewed the record to date in this proceeding and the attached Stipulation for Provisional BGSS and CIP Rates, HEREBY FINDS that subject to the terms and conditions set forth below, the Stipulation for Provisional BGSS and CIP Rates is reasonable, in the public interest and in accordance with the law. Accordingly, the Board HEREBY ADOPTS the Stipulation for Provisional BGSS and CIP Rates as its own, as if fully set forth herein.

The Board HEREBY APPROVES on a provisional basis, the Company's implementation of a decrease in its after-tax per therm Periodic BGSS rate to \$0.5325, a revision of the gas portion of the after tax per Mcf D-2 charge to \$13.4618 for Rate Schedule LVS, no change to the gas portion of the after tax per Mcf D-2 charge of \$15.2755 and a revision of the gas portion of the Limited Firm D-2 charges to \$6.7310 for Rate Schedule EGS-LV, a revision of the gas portion of the after tax per Mcf D-2 charge to \$6.7310 for Rate Schedule FES, an increase of the after-tax per therm Monthly BGSS non-commodity rate to \$0.1701 for Rate Schedules GSG, GSG-LV, EGS, LVS, and EGS-LV, and the Company's implementation of after-tax per- therm CIP rates of a charge of \$0.0545 for Group I RSG Non-Heating Customers, a charge of \$0.1024 for Group II RSG Heating Customers, a charge of \$0.0688 for Group III GSG Customers, and a charge of \$0.0138 for Group IV GSG-LV Customers. All rate changes shall be effective as of October 1, 2012.

The Board HEREBY DIRECTS that this matter be transmitted to the Office of Administrative Law for review and evidentiary hearings, if necessary.

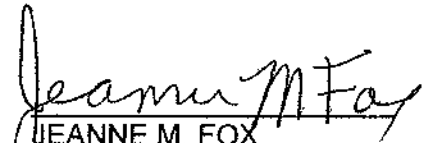
The Company is HEREBY DIRECTED to file the appropriate tariff sheets conforming to the terms and conditions of this Order within five (5) business days from the date of this Order.


The Company's gas costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.


DATED: 9/13/12

BOARD OF PUBLIC UTILITIES  
BY:

  
ROBERT M. HANNA  
PRESIDENT

  
JEANNE M. FOX  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER


  
NICHOLAS ASSELTA  
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 TO REVISE THE  
LEVEL OF ITS BASIC GAS SUPPLY SERVICE ("BGSS") CHARGE AND TO REVISE THE  
LEVEL OF ITS CONSERVATION INCENTIVE PROGRAM ("CIP") CHARGES FOR THE YEAR  
ENDING SEPTEMBER 30, 2013 - BPU DOCKET NO. GR12060475

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S-SCHART-1  
BGSS NYMEX Update Report

Month	a BGSS	b NYMEX	c = b - a Incr/ (Decr)	% Chg	d Sales forecast (dths)	e Hedged volume (dths)	f = d - e Unhedged volume (dths)	g = c x f Change in value unhedged
Oct-10			\$					\$0
Nov-10			\$					\$0
Dec-10			\$					\$0
Jan-11			\$					\$0
Feb-11			\$					\$0
Mar-11			\$					\$0
Apr-11			\$					\$0
May-11			\$					\$0
Jun-11			\$					\$0
Jul-11			\$					\$0
Aug-11			\$					\$0
Sep-11			\$					\$0
<b>Avg Total \$</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>
Oct-11			\$					\$0
Nov-11			\$					\$0
Dec-11			\$					\$0
Jan-12			\$					\$0
Feb-12			\$					\$0
Mar-12			\$					\$0
Apr-12			\$					\$0
May-12			\$					\$0
Jun-12			\$					\$0
Jul-12			\$					\$0
Aug-12			\$					\$0
Sep-12			\$					\$0
<b>Avg Total \$</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>

Footnotes:

- a: Nymex rate used for annual BGSS periodic rate filing
- b: Nymex rate as of date of the report
- c: Increase/Decrease in the Nymex rate compared to rate used for annual BGSS periodic rate filing
- d: Sales forecast (includes fuel requirement)
- e: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)
- f: 'Unhedged' volume consists of sales volume forecast less 'hedged' volume
- g: Not necessarily representative of a change in under/over-recovery value

South Jersey Gas Company  
Calculation of Net Cost of Gas Per Therm

	Actual Oct-11	Actual Nov-11	Actual Dec-11	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Actual Jul-12	Estimate Aug-12	Estimate Sep-12	Total
1 NYMEX - 5/10/11 - Included in BGSS Filing													
2 NYMEX - Actual Settlement													
3 Breakdown of Gross Cost of Gas Per Therm:													
4 Flowing Gas Cost													
5 Gas Withdrawn From Storage Cost													
6 Hedged Volumes Delivered Cost													
7 Pipeline Demand Cost													
8 Storage Demand Cost													
9 Peaking Cost													
10 Weighted Average Fuel Cost													
11 Variable Pipeline Cost													
12 Other Costs													
13 Total Gross Cost of Gas Per Therm	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
14													
15													
16													
17													
18 NYMEX - Actual Settlement	\$3.730	\$4.289	\$4.486	\$5.814	\$5.320	\$4.816	\$3.842	\$4.271	\$4.155	\$4.717	\$4.370	\$3.857	
19 Breakdown of Gross Cost of Gas Per Therm:													
20 Flowing Gas Cost													
21 Gas Withdrawn From Storage Cost													
22 Hedged Volumes Delivered Cost													
23 Pipeline Demand Cost													
24 Storage Demand Cost													
25 Peaking Cost													
26 Weighted Average Fuel Cost													
27 Variable Pipeline Cost													
28 Other Costs													
29 Total Gross Cost of Gas Per Therm	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

Footnotes:

- Flowing Gas Cost = Gas purchased for delivery to city gate during month - not injected into storage
- Gas Withdrawn From Storage Cost = Gas withdrawn from storage - includes cost of injection, withdrawal, fees, line loss
- Hedged Volumes Delivered Cost = Hedged Volumes delivered to city gate - not injected into storage
- Pipeline Demand Cost = Fixed Pipeline costs
- Storage Demand Cost = Fixed Storage related costs
- Peaking Cost = Peaking Cost includes peaking services, LNG, Propane, etc...
- Weighted Average Fuel Cost = Commodity x fuel % for each pipeline - represents portion of gas shipped that is retained by pipeline
- Variable Pipeline Cost = Pipeline Charge per therm shipped



South Jersey Gas Company  
Calculation of Net Cost of Gas Per Therm

Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Total
Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Sep-12	Sep-12	Sep-12	Total
\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted Average
Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Sep-11	Sep-11	Sep-11	Average
\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

Credits, Refunds, & Recoveries Per Therm:

- 1 Asset Management Credits
- 2 Off-system sales
- 3 Capacity release
- 4 On System Credits to BGSS-P Customers
- 5 Supplier Refunds
- 6 Gas for Company Use
- 7 Line Loss
- 8 Transfer to Non BGSS-P Customers
- 9 Other
- 10 Total Credits, Refunds, & Recoveries Per Therm
- 11 Total Net Cost Per Therm (Page 1 Line 13 Less Page 2 Line 10)

Credits, Refunds, & Recoveries:

- 1 Asset Management Credits
- 2 Off-system sales
- 3 Capacity release
- 4 On System Credits to BGSS-P Customers
- 5 Supplier Refunds
- 6 Gas for Company Use
- 7 Line Loss
- 8 Transfer to Non BGSS-P Customers
- 9 Over / Under Recovery & Interest to Customers
- 10 Other
- 11 Total Credits, Refunds, & Recoveries
- 12 Total Net Cost Per Therm (Page 1 Line 20 Less Page 2 Line 11)

# TARIFF SHEETS

SOUTH JERSEY GAS COMPANY

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

Fifth Revised Sheet No. 28  
Superseding Fourth Sheet No. 28

LARGE VOLUME SERVICE (LVS)  
(continued)

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: \$13,461,845.44 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: \$.1526 per therm

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

Volumetric Charge:

C-1FT: \$.1526 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).

Issued June 1, 2012  
by South Jersey Gas Company,  
E. Graham, President

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

Filed pursuant to Secretary's Letter in Docket No. \_\_\_\_\_ of the Board of  
Public Utilities, State of New Jersey, dated \_\_\_\_\_

SOUTH JERSEY GAS COMPANY

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

Fourth Revised Sheet No. 33  
Superseding Third 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)</sup> <sup>(2)</sup>

WINTER (November – March):

Demand Charge:

- D-1 \$3.1000 per Mcf of Winter Daily Contract Demand
- D-2 \$6.73~~10272~~ per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.0775 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 \$6.73~~10272~~ per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.0775 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)

Issued June 1, 2012  
by South Jersey Gas Company,  
E. Graham, President

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

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

SOUTH JERSEY GAS COMPANY

Fourth Revised Sheet No. 45  
Superseding Third Sheet No. 45

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

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 \$15.2755924 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge:

C-1: \$.0775 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 \$6.7310272 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

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

C-1: \$.0775 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).

Issued June 1, 2012  
by South Jersey Gas Company,  
E. Graham, President

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

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

SOUTH JERSEY GAS COMPANY

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

Twenty-Second Revised Sheet No. 66  
Superseding Twenty-First Sheet No. 66

**RIDER "A"**  
**BASIC GAS SUPPLY SERVICE CLAUSE ("BGSSC")**

**APPLICABLE TO:**

Rate Schedule RSG	-	Residential Service
Rate Schedule GSG	-	General Service
Rate Schedule GSG-LV	-	General Service – Large Volume
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 NGV	-	Natural Gas Vehicle

**APPLICABLE RATES:**

**Periodic BGSS Subrider (Effective October 1, 2012)<sup>1</sup>:**

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
RSG	\$0.4966055	\$0.53256493
GSG (under 5,000 therms)	\$0.4966055	\$0.53256493

**Monthly BGSS Subrider (Effective May 1, 2012):**

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
LVS C-2	\$0.2897	\$0.3106
FES	\$0.2243	\$0.2405
EGS	\$0.3296	\$0.3534
EGS-LV Firm C-2	\$0.2843	\$0.3048
EGS-LV Limited Firm C-2	\$0.3097	\$0.3321
GSG-LV	\$0.3296	\$0.3534
GSG (5,000 therms or greater)	\$0.3296	\$0.3534
NGV	\$0.3296	\$0.3534

The above Periodic and Monthly BGSS rates shall include the BGSS cost savings established in Rider "M" to this Tariff.

**FILING:**

This Subrider shall be applicable to all customers served under Rate Schedules RSG, and those GSG customers who do not meet the "Monthly Threshold". This Periodic BGSS Subrider shall recover gas costs associated with service to customers served under this Subrider.

<sup>1</sup> Reflects currently approved Total BGSS Rate.

Issued June 1, 2012  
by South Jersey Gas Company,  
E. Graham, President

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

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

SOUTH JERSEY GAS COMPANY

Second Revised Sheet No. 69

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

Superseding First Revised Sheet No. 69

RIDER "A"  
BASIC GAS SUPPLY SERVICE CLAUSE ("BGSSC")  
(Continued)

The Company will file self-implementing Monthly BGSS rates on the second day following the close of trading of the NYMEX Henry Hub gas contracts for each month. Within each monthly filing, the Company will provide the following:

- (1) Documentation regarding the NYMEX Henry Hub close;
- (2) Supporting schedules that document the actual/projected costs and sales volumes used to derive the monthly gas cost factor; and

MONTHLY FORMULA:

The formula for determining the Monthly BGSS rate shall be the sum of the following:

- (1) The Company will calculate a Commodity Cost which will be comprised of the sum of arithmetic average of
  - (i) the closing price of the NYMEX Henry Hub gas contract for the following month and
  - (ii) the weighted average of the estimated Index Prices, for the respective locations at which the Company purchases its gas, to be published in Inside FERC's Gas Market Report for the remaining BGSS Year. Further, the calculation will not include hedging.
- (2) An estimate shall be made of the variable costs of transportation and fuel and line loss for the subject month, to the extent not included in (1), above
- (3) A Non-Commodity Cost component that includes gas costs other than the Commodity Cost of Gas, including but not limited to all fixed pipeline costs, fixed supplier costs, fixed storage costs, pipeline refunds and similar credits, and other credits directed by the Board. The Non-Commodity Cost component shall be calculated on an equal per-therm basis for the entire BGSS Year. This subparagraph (3) is not applicable to FES customers.

The result of the calculation from the Monthly Formula above shall be adjusted for Rate Schedules LVS and EGS-LV (Firm and Limited Firm) to derive the Monthly BGSS Rates by deducting therefrom the volumetric equivalent of the D-2 charges within the respective Rates Schedules. Said deductions shall be as follows:

Rate Schedule	D-2 Deduction	
		Including Taxes
LVS		\$.0428
EGS-LV Firm		\$.04856
EGS-LV Limited Firm		\$.0214

Issued June 1, 2012  
by South Jersey Gas Company,  
E. Graham, President

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

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

SOUTH JERSEY GAS COMPANY  
 Schedule of Rate Components  
 Appendix A - Effective October 1, 2012

	BASE RATE	IEFA	BGSS	OTHER SIDERS	PLA	NJ SALES TAX	TARIFF RATE
<b>RESIDENTIAL GAS SERVICE (RSG)</b>							
Customer Charge	8.3400					0.5538	8.9238
CIP				0.0089	0.0000	0.0008	0.0095
Delivery Charge:							
COST OF SERVICE	0.4031	0.0152		0.0005	0.0000	0.0283	0.4476
TIC						0.0001	0.0005
SBC:							
CLEP				0.0182	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
USF				0.0661	0.0001	0.0045	0.0707
Total SBC				0.0660	0.0000	0.0000	0.0660
TAC				0.0041	0.0000	0.0003	0.0044
CIRT				0.0022	0.0000	0.0002	0.0024
EET						0.0083	0.0505
DSC-"J" BS-1			0.0471		0.0001		
BSC-"J" BUY-OUT PRICE - Rate set monthly					0.0002		
Total	0.4031	0.0152	0.0471	0.0729	0.0002	0.0377	0.5762
<b>RESIDENTIAL FIRM SALES SERVICE (RSSF) HEAT CUSTOMER</b>							
Customer Charge	8.3400					0.5538	8.9238
Basic Gas Supply Service (BGSS):			0.4666		0.0011	0.0348	0.5325
CIP				0.0089	0.0000	0.0006	0.0095
Delivery Charge:							
COST OF SERVICE	0.4031	0.0152		0.0005	0.0000	0.0293	0.4476
TIC						0.0001	0.0005
SBC:							
CLEP				0.0182	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
USF				0.0661	0.0001	0.0045	0.0707
Total SBC				0.0660	0.0000	0.0000	0.0660
TAC				0.0041	0.0000	0.0003	0.0044
CIRT				0.0022	0.0000	0.0002	0.0024
EET						0.0083	0.0505
DSC-"J" BS-1			0.0471		0.0001		
BSC-"J" BS-1					0.0002		
Total	0.4031	0.0152	0.0471	0.0729	0.0002	0.0377	0.5762



SOUTH JERSEY GAS COMPANY  
 Schedule of Rate Components  
 Appendix A - Effective October 1, 2012

	RESIDENTIAL FIRM TRANS. SERV. (RSG, FTS) - NONHEAT CUSTOMERS	BASE RATE	TEFA	BGSS	OTHER RIDERS	PJA	NJ SALES TAX	TARIFF RATE
Customer Charge	8.3400						0.5938	8.9238
CJP					0.0473	0.0001	0.0633	0.0507
Delivery Charge:								
COST OF SERVICE								
TIC	0.4031	0.0152					0.0293	0.4476
SBC:							0.0001	0.0006
CLEP					0.0162	0.0000	0.0011	0.0173
RAC					0.0326	0.0001	0.0022	0.0349
USF					0.0173	0.0000	0.0012	0.0185
Total SBC					0.0661	0.0001	0.0045	0.0707
TAC					0.0000	0.0000	0.0000	0.0000
CIRT					0.0041	0.0000	0.0003	0.0044
EET					0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1				0.0471		0.0001	0.0003	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly								
Total	0.4031	0.0152	0.0471	0.0729	0.0002	0.0377	0.0377	0.5762
<b>RESIDENTIAL FIRM SALES SERV. (RSG, FTS) - NONHEAT CUSTOMERS</b>								
Customer Charge	8.3400						0.5938	8.9238
Basic Gas Supply Service (BGSS):								
CJP				0.4966		0.0011	0.0348	0.5325
Delivery Charge:								
COST OF SERVICE								
TIC	0.4031	0.0152					0.0283	0.4476
SBC:							0.0001	0.0008
CLEP					0.0162	0.0000	0.0011	0.0173
RAC					0.0326	0.0001	0.0022	0.0349
USF					0.0173	0.0000	0.0012	0.0185
Total SBC					0.0661	0.0001	0.0045	0.0707
TAC					0.0000	0.0000	0.0000	0.0000
CIRT					0.0041	0.0000	0.0003	0.0044
EET					0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1				0.0471		0.0001	0.0003	0.0505
Total	0.4031	0.0152	0.0471	0.0729	0.0002	0.0377	0.0377	0.5762

SOUTH JERSEY GAS COMPANY  
 Schedule of Rate Components  
 Appendix A - Effective October 1, 2012

	<u>BASE RATE</u>	<u>IEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>GENERAL SERVICE (GSG)</b>							
<b>GENERAL SERVICE FIRM TRANS (GSF)</b>							
Customer Charge	22.2500					1.5575	23.8075
CIP				0.0002	0.0000	0.0000	0.0002
Delivery Charge:							
COST OF SERVICE	0.3192	0.0164				0.0235	0.3591
TIC				0.0005	0.0000	0.0001	0.0006
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
				0.0661	0.0001	0.0045	0.0707
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0041	0.0000	0.0003	0.0044
CIPT				0.0022	0.0000	0.0002	0.0024
EET			0.0471		0.0001	0.0033	0.0505
BSC "J" BS-1							
BSC "J" BUY-OUT PRICE - Rate set monthly	0.3192	0.0164	0.0471	0.0723	0.0002	0.0319	0.4877
<b>Total</b>							

SOUTH JERSEY GAS COMPANY  
 Schedule of Rate Components  
 Appendix A - Effective October 1, 2012

	BASE RATE	JEFA	SGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE FIRM SALES (GSG FSS) See Attachment A and Terms Annually	22.2500					1.5575	23.8075
Customer Charge							
CIP				0.0002	0.0000	0.0000	0.0002
Basic Gas Supply Service (BGSS):			0.4956		0.0011	0.0348	0.5325
Delivery Charge:		0.0164					0.3591
COST OF SERVICE	0.3192					0.0235	
TIC				0.0005	0.0000	0.0001	0.0006
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
				0.0661	0.0001	0.0045	0.0707
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.3192	0.0164	0.0471	0.0729	0.0002	0.0319	0.4977

	BASE RATE	JEFA	SGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE FIRM SALES (GSG FSS) See Attachment A and Terms Annually	22.2500					1.5575	23.8075
Customer Charge							
Basic Gas Supply Service (BGSS):							
CIP				0.0002	0.0000	0.0000	0.0002
Delivery Charge:		0.0164					0.3591
COST OF SERVICE	0.3192					0.0235	
TIC				0.0005	0.0000	0.0001	0.0006
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
				0.0661	0.0001	0.0045	0.0707
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.3192	0.0164	0.0471	0.0729	0.0002	0.0319	0.4977

RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
Appendix A - Effective October 1, 2012

<u>GENERAL SERVICE-LV (GSG-LV)</u>		<u>BASE RATE</u>	<u>IECA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>FUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge		150.0000					10.5000	160.5000
D-1 Demand Charge		8.0000					0.5600	8.5600
CIP					0.0017	0.0000	0.0001	0.0018
Delivery Charge: COST OF SERVICE		0.1689	0.0164				0.0130	0.1993
TIC					0.0005	0.0000	0.0001	0.0006
SBC:								
CLEP					0.0162	0.0000	0.0011	0.0173
RAC					0.0326	0.0001	0.0022	0.0349
USF					0.0173	0.0000	0.0012	0.0185
					0.0661	0.0001	0.0045	0.0707
TAC					0.0000	0.0000	0.0000	0.0000
CIRT					0.0041	0.0000	0.0003	0.0044
EET					0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1				0.0471	0.0001		0.0035	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly					0.0729	0.0002	0.0214	0.3279
<b>Total</b>		<b>0.1689</b>	<b>0.0164</b>	<b>0.0471</b>	<b>0.0729</b>	<b>0.0002</b>	<b>0.0214</b>	<b>0.3279</b>
<u>GENERAL SERVICE FROM SALES-LV (GSG-LV) FROM SALES</u>								
Customer Charge		150.0000					10.5000	160.5000
D-1 Demand Charge		8.0000					0.5600	8.5600
Basic Gas Supply Service (BGSS):								
CIP					0.0017	0.0000	0.0001	0.0018
Delivery Charge: COST OF SERVICE		0.1689	0.0164				0.0130	0.1993
TIC					0.0005	0.0000	0.0001	0.0006
SBC:								
CLEP					0.0162	0.0000	0.0011	0.0173
RAC					0.0326	0.0001	0.0022	0.0349
USF					0.0173	0.0000	0.0012	0.0185
					0.0661	0.0001	0.0045	0.0707
TAC					0.0000	0.0000	0.0000	0.0000
CIRT					0.0041	0.0000	0.0003	0.0044
EET					0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1				0.0471	0.0001		0.0035	0.0505
<b>Total</b>		<b>0.1689</b>	<b>0.0164</b>	<b>0.0471</b>	<b>0.0729</b>	<b>0.0002</b>	<b>0.0214</b>	<b>0.3279</b>

RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY  
 Schedule of Rate Components  
 Appendix A - Effective October 1, 2012

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
<b>COMPREHENSIVE TRANSPORTATION SERVICE (CTS)</b>							
<b>COMPREHENSIVE FIRM TRANSPORTATION SERVICE (CTS) (Firm)</b>							
Firm Customer Charge	600.0000					42.0000	642.0000
Delivery Charge:							
D-1 DEMAND CHARGE	27.4213					1.5195	29.3408
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0026	0.0047				0.0005	0.0078
SBC:							
GLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0348
USF				0.0173	0.0000	0.0012	0.0185
USF				0.0661	0.0001	0.0045	0.0707
Total SBC				0.0041	0.0000	0.0003	0.0044
CIRT				0.0022	0.0000	0.0002	0.0024
EET				0.0724	0.0001	0.0055	0.0853
Total C-1 VOLUMETRIC CHARGE	0.0026	0.0047					
BS-1 ALL THERMS			0.0118			0.0008	0.0126
BS-1 (Opt Out Provision) ALL THERMS			0.0025			0.0002	0.0027
BUY-OUT PRICE							RATE SET MONTHLY
<b>Limited Firm</b>							
Limited Firm Customer Charge	100.0000					7.0000	107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0293	0.0047				0.0024	0.0364
SBC:							
GLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0348
USF				0.0173	0.0000	0.0012	0.0185
USF				0.0661	0.0001	0.0045	0.0707
Total SBC				0.0041	0.0000	0.0003	0.0044
CIRT				0.0022	0.0000	0.0002	0.0024
EET				0.0724	0.0001	0.0074	0.1139
Total C-1 VOLUMETRIC CHARGE	0.0293	0.0047					
BS-1 ALL THERMS			0.0118			0.0008	0.0126
BS-1 (Opt Out Provision) ALL THERMS			0.0025			0.0002	0.0027
BUY-OUT PRICE							RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY  
 Schedule of Rate Components  
 Appendix A - Effective October 1, 2012

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
<b>LARGE VOLUME SERVICE (LVS)</b>							
<b>LARGE VOLUME FIRM TRANS SERV (LVS FTS)</b>							
Firm							
Customer Charge	969.0000				63.0000		963.0000
Delivery Charge:							
D-1 DEMAND CHARGE	14.8842				1.0419		15.9261
C-1 VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0025	0.0047			0.0005		0.0077
SBC:							
CLEP			0.0162	0.0000	0.0011		0.0173
RAC			0.0326	0.0001	0.0022		0.0349
USF			0.0173	0.0000	0.0012		0.0185
USF			0.0661	0.0001	0.0045		0.0707
CIRT			0.0041	0.0000	0.0003		0.0044
EET			0.0022	0.0000	0.0002		0.0024
EET			0.0724	0.0001	0.0055		0.0852
Total C-1 VOLUMETRIC CHARGE	0.0025	0.0047	0.1119	0.0000	0.0008		0.1286
BS-1 ALL THERMS			0.0025	0.0000	0.0002		0.0027
BS-1 (Opt Out Provision) ALL THERMS							
BSC "Y" CASH-OUT CHARGE(CREDIT)							
Rate Set Monthly							
<b>Limited Firm</b>							
Customer Charge	100.0000				7.0000		107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0655	0.0047			0.0049		0.0751
SBC:							
CLEP			0.0162	0.0000	0.0011		0.0173
RAC			0.0326	0.0001	0.0022		0.0349
USF			0.0173	0.0000	0.0012		0.0185
USF			0.0661	0.0001	0.0045		0.0707
CIRT			0.0041	0.0000	0.0003		0.0044
EET			0.0022	0.0000	0.0002		0.0024
EET			0.0724	0.0001	0.0055		0.1528
Total C-1 VOLUMETRIC CHARGE	0.0655	0.0047	0.1118	0.0000	0.0008		0.1286
BS-1 ALL THERMS			0.0025	0.0000	0.0002		0.0027
BS-1 (Opt Out Provision) ALL THERMS							
BUY-OUT PRICE							
Rate Set Monthly							

SOUTH JERSEY GAS COMPANY  
 Schedule of Rate Components  
 Appendix A - Effective October 1, 2012

	<u>LARGE VOLUME FIRM SALES SERVICE (LVS) FSS</u>	<u>BASE RATE</u>	<u>IEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PJA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge		900.0000					63.0000	963.0000
Basic Gas Supply Service (BGSS):								
C-2 BGSS								
D-2 DEMAND CHARGE				12.5535		0.0276	0.8807	13.4618
Delivery Charge:								
D-1 DEMAND CHARGE		14.8842					1.0419	15.9261
C-1 VOLUMETRIC CHARGE:								
C-1 COST OF SERVICE		0.0025	0.0047				0.0005	0.0077
SBC:								
CLEP				0.0162	0.0000		0.0011	0.0173
RAC				0.0326	0.0001		0.0022	0.0348
USF				0.0173	0.0000		0.0012	0.0185
Total SBC				0.0661	0.0001		0.0045	0.0707
CIRT				0.0041	0.0000		0.0003	0.0044
EET				0.0022	0.0000		0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE		0.0025	0.0047	0.3000	0.0724	0.0001	0.0055	0.6852
BS-1 ALL THERMS				0.0116		0.0000	0.0008	0.0126
Limited Firm		100.0000					7.9090	107.9090
Customer Charge								
Delivery Charge:								
C-1 FT VOLUMETRIC CHARGE:								
C-1 COST OF SERVICE		0.0655	0.0047				0.0049	0.0751
SBC:								
CLEP				0.0162	0.0000		0.0011	0.0173
RAC				0.0326	0.0001		0.0022	0.0349
USF				0.0173	0.0000		0.0012	0.0185
Total SBC				0.0661	0.0001		0.0045	0.0707
CIRT				0.0041	0.0000		0.0003	0.0044
EET				0.0022	0.0000		0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE		0.0655	0.0047	0.0900	0.0724	0.0001	0.0098	0.1528
BS-1 ALL THERMS				0.0118		0.0000	0.0008	0.0126
BS-1 (Opt Out Provision) ALL THERMS				0.0025		0.0000	0.0002	0.0027
BUY-OUT PRICE								
								RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY  
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	BASE RATE	IEFA	BGSS	OTHER RIDERS	RUA	NJ SALES TAX	TARIFF RATE
<b>ELECTRIC GENERATION SERVICE (EES)</b> Commercial/Industrial							
Customer Charge	25.0000					1.7500	26.7500
D-1 DEMAND	6.5000					0.4550	6.9550
Basic Gas Supply Service (BGSS):							RATE SET MONTHLY
Delivery Charge - Winter Season (Nov - Mar) COST OF SERVICE	0.0825					0.0068	0.0893
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
Total SBC				0.0661	0.0001	0.0045	0.0707
Balancing Charge BSC'1' BS-1			0.0471		0.0001	0.0033	0.0505
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
<b>Total C-1 VOLUMETRIC CHARGE (FSS &amp; FTS)</b>	<b>0.6825</b>		<b>0.0471</b>	<b>0.0724</b>	<b>0.0002</b>	<b>0.0141</b>	<b>0.2163</b>
Delivery Charge - Summer Season (Apr - Oct) COST OF SERVICE	0.0525					0.0037	0.0562
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
Total SBC				0.0661	0.0001	0.0045	0.0707
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Balancing Charge BSC'1' BS-1			0.0471		0.0001	0.0033	0.0505
<b>Total C-1 VOLUMETRIC CHARGE (FSS &amp; FTS)</b>	<b>0.6525</b>		<b>0.0471</b>	<b>0.0724</b>	<b>0.0002</b>	<b>0.0120</b>	<b>0.1842</b>



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	BASE RATE	IEFA	BGSS	OTHER RIDERS	PVA	NJ SALES TAX	TARIFF RATE
<b>ELECTRIC GENERATION SERVICE (EGS)</b>							
<i>Residential</i>							
Customer Charge	8.3400					0.5838	8.9238
Basic Gas Supply Service (BGSS):			0.4956		0.0011	0.0348	0.5325
Delivery Charge	0.0530					0.0085	0.0595
COST OF SERVICE							
SBC:							
CLEP				0.0162	0.0000	0.6011	0.6173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
Total SBC				0.0661	0.0001	0.0045	0.0707
Balancing Charge BSC"1 BS-1			0.0471		0.0001	0.0033	0.0505
CIKT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
<b>Total C-1 VOLUMETRIC CHARGE (FSS &amp; FTS)</b>	<b>0.0930</b>		<b>0.0471</b>	<b>0.0724</b>	<b>0.0002</b>	<b>0.0148</b>	<b>0.2275</b>



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FORM ELECTRIC SALES FEES	BASE RATE	IEFA	BGSS	RIDEFS	PJA	NJ SALES TAX	TARIFF RATE
<b>Winter</b>							
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.8972					0.2028	3.1000
D-2 DEMAND BGSS (applicable to Sales Customers Only)			6.2768		0.0138	0.4403	6.7310
C-1 CLEP				0.0162	0.0000	0.0011	0.0173
C-1 RAC				0.0326	0.0001	0.0022	0.0349
C-1 USF				0.0173	0.0000	0.0012	0.0185
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
<b>Total C-1 VOLUMETRIC CHARGE</b>				<b>0.0724</b>	<b>0.0001</b>	<b>0.0056</b>	<b>0.0775</b>
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.0094	0.1432
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)							RATE SET MONTHLY
C-2 BGSS/COGC							RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)							RATE SET MONTHLY
<b>Summer</b>							
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.6972					0.2028	3.1000
D-2 DEMAND BGSS (applicable to Sales Customers Only)			6.2768		0.0138	0.4403	6.7310
C-1 CLEP				0.0162	0.0000	0.0011	0.0173
C-1 RAC				0.0326	0.0001	0.0022	0.0349
C-1 USF				0.0173	0.0000	0.0012	0.0185
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
<b>Total C-1 VOLUMETRIC CHARGE</b>				<b>0.0724</b>	<b>0.0001</b>	<b>0.0056</b>	<b>0.0775</b>
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.0094	0.1432
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)							RATE SET MONTHLY
C-2 BGSS/COGC							RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)							RATE SET MONTHLY

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**NATURAL GAS VEHICLE FUELING**

	BASE RATE	IEFA	BOSS	RIDERS	PUA	NJ SALES TAX	TARIFF RATE
<b>Company Operated Fueling Stations</b>							
C-1 CLEP				0.9162	0.0000	0.0011	0.0173
C-1 RAC				0.0326	0.0001	0.0022	0.0349
C-1 USF				0.0173	0.0000	0.0012	0.0185
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
<b>Total C-1 VOLUMETRIC CHARGE</b>							
	0.1047			0.0724	0.0001	0.0050	0.0775
<b>Distribution Charge:</b>							
Compression Charge	0.5300			0.0002	0.0002	0.0073	0.1122
<b>Basic Gas Supply Service (BOSS):</b>							
Rider "I" - BS-1 ALL THERMS			0.0118	0.0000	0.0000	0.0008	0.0126
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS			0.0025	0.0000	0.0000	0.0302	0.0027
Rider "J" - BS-1			0.0471	0.0001	0.0001	0.0033	0.0505
<b>Customer Operated Fueling Stations</b>							
<b>Service Charge</b>							
	0 - 599 CF/hour		37.5000			2.6250	40.1250
	1,000 - 4,999 CF/hour		75.0000			5.2500	80.2500
	5,000 - 24,999 CF/hour		200.0000			14.0000	214.0000
	25,000 or Greater CF/hour		600.0000			42.0000	642.0000
C-1 CLEP				0.0162	0.0000	0.0011	0.0173
C-1 RAC				0.0326	0.0001	0.0022	0.0349
C-1 USF				0.0173	0.0000	0.0012	0.0185
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
<b>Total C-1 VOLUMETRIC CHARGE</b>							
	0.1047			0.0724	0.0001	0.0050	0.0775
<b>Distribution Charge:</b>							
Basic Gas Supply Service: (applicable Sales Customers only)				0.0002	0.0002	0.0073	0.1122
<b>Rate Set Monthly</b>							
Rider "I" - BS-1 ALL THERMS			0.0118	0.0000	0.0000	0.0008	0.0126
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS			0.0025	0.0000	0.0000	0.0302	0.0027
Rider "J" - BS-1			0.0471	0.0001	0.0001	0.0033	0.0505

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INTERRUPTIBLE SERVICE, GARD & STREET LIGHTING

	BASE RATE	IEFA	SGSS	OTHER BIDDERS	PIA	NJ SALES TAX	TARIFF RATE
<b>INTERRUPTIBLE TRANSPORTATION (ITS)</b>							
SERVICE CHARGE							
TRANS CHARGE A							
SBC:	100.0000						107.0000
	0.0284	0.0047					0.0354
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
Total SBC:				0.0661	0.0001	0.0045	0.0707
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
<b>TRANS CHARGE B</b>							
SBC:	0.0032	0.0047					0.1048
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
Total SBC:				0.0661	0.0001	0.0045	0.0707
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
<b>TRANS CHARGE C</b>							
SBC:	0.1532	0.0047					0.1690
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
Total SBC:				0.0661	0.0001	0.0045	0.0707
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024

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Commodity	BASE RATE	TEEA	BIGGS	OTHER RIDERS	PIA	NJ SALES TAX	TARIFE RATE
INTERRUPTIBLE GAS SALES (IGSN)		0.0047					Rate Set Monthly
SBC:							
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0165
Total SBC:				0.0499	0.0001	0.0034	0.0534
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
YARD LIGHTING SERVICE (YS)	6.1655	0.0164	4.6368			0.7573	11.5760
MONTHLY CHARGE / INSTALL							
STREET LIGHTING SERVICE (SE)	6.8486	0.0164	5.9562			0.6583	14.5714
MONTHLY CHARGE / INSTALL							

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Heat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.5325	0.0000	0.5325
Cost of Service	0.4476	0.4476	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
CIP	0.0095	0.0095	0.0000
USF	0.0185	0.0185	0.0000
TIC	0.0005	0.0005	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
<b>Price to Compare</b>	<b>1.1182</b>	<b>0.5857</b>	<b>0.5325</b>

NonHeat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.5325	0.0000	0.5325
CIP	0.0507	0.0507	0.0000
Cost of Service	0.4476	0.4476	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0185	0.0185	0.0000
TIC	0.0005	0.0005	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
<b>Price to Compare</b>	<b>1.1594</b>	<b>0.8269</b>	<b>0.5325</b>

GSG  
(Under 6,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.5325	0.0000	0.5325
CIP	0.0002	0.0002	0.0000
Cost of Service	0.3591	0.3591	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0185	0.0185	0.0000
TIC	0.0005	0.0005	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
<b>Price to Compare</b>	<b>1.0204</b>	<b>0.4879</b>	<b>0.5325</b>

GSG  
(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.3534	0.0000	0.3534
CIP	0.0002	0.0002	0.0000
Cost of Service	0.3591	0.3591	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0185	0.0185	0.0000
TIC	0.0005	0.0005	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
<b>Price to Compare</b>	<b>0.8413</b>	<b>0.4879</b>	<b>0.3534</b>

GSG-LV

	Prior to 7/1/97		
	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.3534	0.0000	0.3534
CIP	0.0018	0.0018	0.0000
Cost of Service	0.1993	0.1993	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0185	0.0185	0.0000
TIC	0.0005	0.0005	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
<b>Price to Compare</b>	<b>0.6831</b>	<b>0.3297</b>	<b>0.3534</b>

SOUTH JERSEY GAS COMPANY

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

Second Revised Sheet No. 103  
Superseding First Revised Sheet No. 103

RIDER "M"

CONSERVATION INCENTIVE PROGRAM  
(Continued)

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

- (d) Recovery of any Deficiency in accordance with Paragraph (c), above, associated with non-weather related changes in customer usage will be limited to the level of BGSS savings achieved as provided for in the 2006 Order of the Board of Public Utilities in Docket No. GR05121019. The value of the weather-related changes in customer usage shall be calculated in accordance with Rider F to this tariff.
- (e) Except as limited by Paragraph (d), above, the amount to be surcharged or credited to the Customer Class Group shall equal the aggregate Deficiency or Excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the FAU for the Customer Class Group.
- (f) The currently effective CIP Factor by Customer Class Group are as follows:

	<u>Group I: RSG Non-Heating</u>	<u>Group II: RSG Heating</u>	<u>Group III: GSG</u>	<u>Group IV: GSG-LY</u>
CIP Factors Per Therm	\$0.0508473	\$0.0955089	\$0.0642002	\$0.0129017
Applicable Revenue Tax Factor	1.0022	1.0022	1.0022	1.0022
CIP Factors Per Therm	\$0.0509474	\$0.0957089	\$0.0643002	\$0.0129017
Applicable NJ Sales Tax Factor	1.07	1.07	1.07	1.07
CIP Factors Per Therm with NJ Sales Tax	\$0.054507	\$0.1024095	\$0.0688002	\$0.0138018

- (g) The CIP shall not operate to cause the Company to earn in excess of its allowed rate of return on common equity of 10.30% for any twelve month period ending September 30; any revenue which is not recovered will not be deferred. For purposes of this paragraph (f), the Company's rate of return on common equity shall be calculated by dividing the Company's net income for such annual period by the Company's average 13 month common equity balance for such annual period, all data as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total net income the Company's share of margins from: (1) Interruptible Sales; (2) Interruptible Transportation; (3) On-System Capacity Release; (4) Off-System Sales and Capacity Release; (5) the Storage Incentive Mechanism, (6) the Energy Efficiency Tracker, and (7) the Capital Investment Recovery Tracker.
- (h) As used in this Rider "M", the following terms shall have the meanings ascribed to them herein:

Issued June 1, 2012  
by South Jersey Gas Company,  
E. Graham, President

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

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



SOUTH JERSEY GAS COMPANY  
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RESIDENTIAL GAS SERVICE (RSG)

RESIDENTIAL FIRM TRANS SERVICE (RST) FIRM HEAT CUSTOMER

	BASE RATE	IEEA	RGSS	OTHER RIDERS	PWA	NJ SALES TAX	TARIFF RATE
Customer Charge	8.3409					0.5838	8.9238
CIP				0.0955	0.0002	0.0067	0.1024
Delivery Charge:							
COST OF SERVICE	0.4031	0.0152		0.0005	0.0000	0.0293	0.4476
TIC						0.0001	0.0008
SBC:							
CLEP				0.0182	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
USF				0.0661	0.0001	0.0045	0.0707
TAC				0.0000	0.0000	0.0000	0.0000
CHRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly							
Total	0.4031	0.0152	0.0471	0.0729	0.0002	0.0377	0.5762

RESIDENTIAL FIRM TRANS SERVICE (RST) FIRM HEAT CUSTOMER

	BASE RATE	IEEA	RGSS	OTHER RIDERS	PWA	NJ SALES TAX	TARIFF RATE
Customer Charge	8.3409					0.5838	8.9238
Basic Gas Supply Service (BGSS):			0.5085		0.0013	0.0425	0.5493
CIP				0.0955	0.0002	0.0067	0.1024
Delivery Charge:							
COST OF SERVICE	0.4031	0.0152		0.0005	0.0000	0.0293	0.4476
TIC						0.0001	0.0008
SBC:							
CLEP				0.0182	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
USF				0.0661	0.0001	0.0045	0.0707
TAC				0.0000	0.0000	0.0000	0.0000
CHRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.4031	0.0152	0.0471	0.0729	0.0002	0.0377	0.5762

SOUTH JERSEY GAS COMPANY  
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	RESIDENTIAL FIRM TRANS. SERV. (RSG, FTS) - NONHEAT CUSTOMER	RESIDENTIAL FIRM SALES SERV. (RSG, FTS) - NONHEAT CUSTOMER					
	BASE RATE	IEEA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Customer Charge	8.3400					0.5838	8.9238
CIP				0.0508	0.9001	0.0836	0.0546
Delivery Charge:							
COST OF SERVICE							
TIC	0.4031	0.0152		0.0066	0.0000	0.0253	0.4476
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0186
USF				0.0661	0.0001	0.0045	0.0707
Total SBC							
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly							
Total	0.4031	0.0152	0.0471	0.0729	0.0002	0.0377	0.5762
Customer Charge	8.3400					0.5838	8.9238
Basic Gas Supply Service (BGSS):			0.8095		0.0013	0.0425	0.8493
CIP				0.0508	0.0001	0.0036	0.0546
Delivery Charge:							
COST OF SERVICE							
TIC	0.4031	0.0152		0.0005	0.0000	0.0253	0.4476
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0186
USF				0.0661	0.0001	0.0045	0.0707
Total SBC							
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.4031	0.0152	0.0471	0.0729	0.0002	0.0377	0.5762

SOUTH JERSEY GAS COMPANY  
 Schedule of Rate Components  
 Appendix A - Effective October 1, 2012

	<u>BASE RATE</u>	<u>IEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>GENERAL SERVICE (GSG)</b>							
<b>GENERAL SERVICE FIRM TRANS (GSG FTS)</b>							
Customer Charge	22.2500					1.5575	23.8075
CIP				0.0842	0.0001	0.0045	0.0688
Delivery Charge:							
COST OF SERVICE	0.3192	0.0164				0.0235	0.3591
TIC				0.0005	0.0000	0.0001	0.0006
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0173	0.0000	0.0012	0.0185
Total SBC				0.0661	0.0001	0.0045	0.0707
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0003	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly							
<b>Total</b>	<b>0.3192</b>	<b>0.0164</b>	<b>0.0471</b>	<b>0.0729</b>	<b>0.0002</b>	<b>0.0319</b>	<b>0.4877</b>

SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
Appendix A - Effective October 1, 2012

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PIA	NJ SALES TAX	TARIFF RATE
<b>GENERAL SERVICE FIRM SALES (GSG/SS)</b>							
<b>Less than \$,000 The firm/Annually</b>							
Customer Charge	22.2500					1.5575	23.8075
CIP				0.0642	0.0001	0.0645	0.0688
Basic Gas Supply Service (BGSS):			0.6955		0.0013	0.0425	0.6493
Delivery Charge:		0.0164				0.0235	0.3591
COST OF SERVICE	0.3192						
TIC				0.0005	0.0000	0.0001	0.0006
SBC:				0.0162	0.0000	0.0011	0.0173
CLEP				0.0326	0.0001	0.0022	0.0349
RAC				0.0173	0.0000	0.0012	0.0185
USF				0.0661	0.0001	0.0045	0.0707
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0041	0.0000	0.0003	0.0044
CIRT				0.0022	0.0000	0.0002	0.0024
EET						0.0033	0.0505
BSC-J' BS-1	0.3192	0.0164	0.0471	0.0729	0.0002	0.0319	0.4877
Total	22.2500	0.0164	0.0471	0.0729	0.0002	0.0319	0.4877
<b>GENERAL SERVICE FIRM SALES (GSG/SS)</b>							
<b>\$,000 The firm/Annually or Greater</b>							
Customer Charge	22.2500					1.5575	23.8075
Basic Gas Supply Service (BGSS):				0.0642	0.0001	0.0645	0.0688
CIP							
Delivery Charge:		0.0164				0.0235	0.3591
COST OF SERVICE	0.3192						
TIC				0.0005	0.0000	0.0001	0.0006
SBC:				0.0162	0.0000	0.0011	0.0173
CLEP				0.0326	0.0001	0.0022	0.0349
RAC				0.0173	0.0000	0.0012	0.0185
USF				0.0661	0.0001	0.0045	0.0707
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0041	0.0000	0.0003	0.0044
CIRT				0.0022	0.0000	0.0002	0.0024
EET						0.0033	0.0505
BSC-J' BS-1	0.3192	0.0164	0.0471	0.0729	0.0002	0.0319	0.4877
Total	22.2500	0.0164	0.0471	0.0729	0.0002	0.0319	0.4877

RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
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<u>GENERAL SERVICE-LV (GSG-LV)</u>						
<u>GENERAL SERVICE-LV FTS (GSG-LV-FTS)</u>	<u>BASE RATE</u>	<u>IEEA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PJA</u>	<u>NJ SALES TAX</u>
						<u>TARIFF RATE</u>
Customer Charge	150.5000					150.5000
D-1 Demand Charge	8.0000					8.5600
CIP				0.0129	0.0000	0.0138
Delivery Charge: COST OF SERVICE	0.1699	0.0164			0.0130	0.1893
TIC				0.0005	0.0000	0.0006
SBC:						
CLEP				0.0162	0.0000	0.0173
RAC				0.0326	0.0001	0.0349
USF				0.0173	0.0000	0.0185
				0.0681	0.0001	0.0707
TAC				0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0044
EET				0.0022	0.0000	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly						
<b>Total</b>	<b>0.1699</b>	<b>0.0164</b>	<b>0.0471</b>	<b>0.0729</b>	<b>0.0002</b>	<b>0.3279</b>
<u>GENERAL SERVICE-FIRM SALES-LV (GSG-FV-FSS)</u>						
	<u>BASE RATE</u>	<u>IEEA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PJA</u>	<u>TARIFF RATE</u>
Customer Charge	150.0000					150.5000
D-1 Demand Charge	8.0000					8.5600
Basic Gas Supply Service (BGSS):						<b>RATE SET MONTHLY</b>
CIP				0.0129	0.0000	0.0138
Delivery Charge: COST OF SERVICE	0.1699	0.0164			0.0130	0.1893
TIC				0.0005	0.0000	0.0006
SBC:						
CLEP				0.0162	0.0000	0.0173
RAC				0.0326	0.0001	0.0349
USF				0.0173	0.0000	0.0185
				0.0681	0.0001	0.0707
TAC				0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0044
EET				0.0022	0.0000	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0505
<b>Total</b>	<b>0.1699</b>	<b>0.0164</b>	<b>0.0471</b>	<b>0.0729</b>	<b>0.0002</b>	<b>0.3279</b>

SOUTH JERSEY GAS COMPANY  
Schedule of Rate Components  
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Heat Residential Rate Schedule:

	RSG-FSS	RSG-FTS	Difference
BGSS	0.6493	0.0000	0.6493
Cost of Service	0.4476	0.4476	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
CIP	0.1024	0.1024	0.0000
USF	0.0185	0.0185	0.0000
TIC	0.0006	0.0006	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
Price to Compare	1.3279	0.8788	0.5493

NonHeat Residential Rate Schedule:

	RSG-FSS	RSG-FTS	Difference
BGSS	0.6493	0.0000	0.6493
CIP	0.0545	0.0545	0.0000
Cost of Service	0.4476	0.4476	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0185	0.0185	0.0000
TIC	0.0006	0.0006	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
Price to Compare	1.2800	0.5307	0.5493

GSG  
(Under 5,000 therms annually)

	GSG-FSS	GSG-FTS	Difference
BGSS	0.6493	0.0000	0.6493
CIP	0.0688	0.0688	0.0000
Cost of Service	0.3591	0.3591	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0185	0.0185	0.0000
TIC	0.0006	0.0006	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
Price to Compare	1.2058	0.5565	0.6493

GSG  
(5,000 therms annually or greater)

	GSG-FSS	GSG-FTS	Difference
BGSS	0.3534	0.0000	0.3534
CIP	0.0688	0.0688	0.0000
Cost of Service	0.3591	0.3591	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0185	0.0185	0.0000
TIC	0.0006	0.0006	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
Price to Compare	0.9089	0.5555	0.3534

GSG-LV

*Prior to 7/15/97*

	GSG-LV-FSS	GSG-LV-FTS	Difference
BGSS	0.3534	0.0000	0.3534
CIP	0.0138	0.0138	0.0000
Cost of Service	0.1993	0.1993	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0185	0.0185	0.0000
TIC	0.0006	0.0006	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
Price to Compare	0.6951	0.3417	0.3534

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

**IN THE MATTER OF THE PETITION OF : BPU DOCKET NO. GR12060475**  
**SOUTH JERSEY GAS COMPANY TO :**  
**REVISE THE LEVEL OF ITS BASIC GAS : STIPULATION FOR PROVISIONAL**  
**SUPPLY SERVICE ("BGSS") CHARGE : BGSS AND CIP RATES**  
**AND TO REVISE THE LEVEL OF ITS :**  
**CONSERVATION INCENTIVE :**  
**PROGRAM ("CIP") CHARGES FOR THE :**  
**YEAR ENDING SEPTEMBER 30, 2013 :**

**APPEARANCES:**

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

Felicia Thomas-Friel, Esquire, Deputy Rate Counsel, Henry M. Ogden and James W. Glassen, Esquire, Assistant Deputy Rate Counsel on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel") (Stefanie A. Brand, Director)

Alex Moreau and Veronica Beke, Deputy Attorneys General, on behalf of the Staff of the Board of Public Utilities ("Staff")(Jeffrey S. Chiesa, Attorney General of New Jersey)

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

**I. PROCEDURAL HISTORY**

1. On June 1, 2012, South Jersey Gas Company ("South Jersey," or "Company," or "Petitioner") filed a Petition ("Petition"), in Docket No. GR12060475, requesting that the Board of Public Utilities ("Board") approve a reduction of the level of the Company's periodic Basic Gas Supply Service Clause ("BGSS") charge from its then current level of \$0.6493 per therm (including taxes) to \$0.5325 per therm (including taxes), a reduction of \$0.1168 per therm, for the period October 1, 2012 through September 30, 2013 ("BGSS/CIP Year"). A typical residential heating customer using 100 therms per month would see a \$11.68 or 8.8% decrease in their monthly bill. The Company also proposed the following rates: 1) the gas cost portion of the

Company's D-2 charge for Rate Schedule LVS be set at \$13.4618 per Mcf (including taxes); 2) the gas cost portion of the Firm D-2 charges be set at \$15.2755 per Mcf (including taxes); 3) the Limited Firm D-2 charges be set at \$6.7310 per Mcf (including taxes) for Rate Schedule EGS-LV; 4) the gas cost portion of the D-2 charge be set at \$6.7310 per Mcf (including taxes) for Rate Schedule FES; and 5) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV be set at \$0.1701 per therm (including taxes). These changes would result in a decrease in annual revenues of approximately \$25.2 million excluding taxes and \$27.26 million including taxes. It is forecasted that South Jersey's BGSS clause will be approximately \$7.9 million under recovered at the beginning of the 2012-2013 BGSS year and will end the year \$5,978 over recovered.

2. The Petition also requested that the Board approve the implementation of per therm Conservation Incentive Program ("CIP") rates (including taxes) of \$0.0545 for Group I Residential Non-Heat customers, \$0.1024 for Group II Residential Heat customers, \$0.0688 for Group III General Service (GSG) customers and \$0.0138 for Group IV General Service Large Volume (GSG-LV) customers, effective October 1, 2012. The requested CIP rates would result in a monthly increase of \$9.29, or 7.0% per month, to the residential heat customer using 100 therms of gas during a heating month. The proposed impact on a residential non-heat customer using 15 therms of gas during a month is an increase of \$0.06 or 0.2% per month. The proposed impact on a GSG customer using 500 therms of gas during a month is an increase of \$34.30 or 5.8%. The impact on a GSG-LV customer using 15,646 therms of gas a month is an increase of \$187.75 or 1.6% per month.



3. Pursuant to the Board's October 12, 2006 and January 21, 2010 Orders in Docket No. GR05121020, any non-weather related CIP surcharges must be offset by reductions in BGSS costs. The Company estimates total CIP related revenue of \$28 million, with \$19.6 million weather related and \$8.4 million non-weather related for the CIP period ending September 2013. There was no prior year revenue carry over. The Company further asserts that recovery of the \$8.4 million margin deficiency results in a return on equity of 10.17 percent which is less than the Company's approved return on equity of 10.3 percent. The Company also states that BGSS savings for the period October 2012 through September 2013 are \$10.5 million, and that the ROE test has been met, thus, it states that the BGSS savings test is met.

The charts below demonstrate the impact of the proposed BGSS and CIP rate changes on a residential sales customer using 100 therms in a month and 1,000 therms annually.

100 Monthly Therms	Current Bill	Proposed Bill	Change (\$)	Change (%)
BGSS	\$132.42	\$120.74	(\$11.68)	(8.8%)
CIP	\$132.42	\$141.71	\$9.29	7.0%
Combined	\$132.42	\$130.03	(\$2.39)	(1.8%)

1,000 Annual Therms	Current Bill	Proposed Bill	Change (\$)	Change (%)
BGSS	\$1,324.09	\$1,225.29	(\$116.80)	(8.7%)
CIP	\$1,324.09	\$1,434.99	\$92.90	6.9%
Combined	\$1,324.09	\$1,318.19	(\$23.90)	(1.8%)

4. Duly noticed public hearings for this Petition were held on August 15, 2012 in Voorhees, New Jersey. The public hearing was noticed in newspapers of general circulation within South Jersey's service territory. No members of the public attended.

## II. STIPULATION TERMS

5. South Jersey, Staff, and Rate Counsel, the only parties to this proceeding (collectively the "Parties"), have discussed certain matters at issue in this proceeding. As a result of those discussions, the Parties have determined that additional time is needed to complete a comprehensive review of South Jersey's proposed BGSS rates. However, the Parties agree that the provisional implementation of the proposed BGSS rates, subject to refund with interest on any net over-recovered BGSS balance, is reasonable at this time. These changes are on a provisional basis subject to opportunity for full review at the Office of Administrative Law, if necessary, and final approval by the Board.

6. Accordingly, the Parties stipulate and agree that, pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize a provisional decrease in South Jersey's Periodic BGSS rate from \$0.6493 per therm (including taxes) to \$0.5325 per therm (including taxes) effective October 1, 2012, or on such other date as the Board deems appropriate.

7. The Parties further stipulate and agree that pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize the following rates on a provisional basis: 1) the gas cost portion of the Company's D-2 charge for Rate Schedule LVS be set at \$13.4618 per Mcf (including taxes); 2)

the gas cost portion of the Firm D-2 charges be set at \$15.2755 per Mcf (including taxes); 3) the Limited Firm D-2 charges be set at \$6.7310 per Mcf (including taxes) for Rate Schedule EGS-LV; 4) the gas cost portion of the D-2 charge be set at \$6.7310 per Mcf (including taxes) for Rate Schedule FES; and 5) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, BGS, LVS and EGS-LV be set at \$0.1701 per therm (including taxes).

8. The proposed Periodic BGSS charge set forth in this Stipulation of \$0.5325 per therm, including taxes, will decrease the bill of a residential customer using 100 therms during a winter month from \$132.42 to \$120.74. This is a monthly decrease of \$11.68 or 8.8%. This stipulation would result in a reduction in BGSS revenues of approximately \$27 million (including taxes) and would result in a total recovery of approximately \$181.6 million (including taxes) in BGSS revenues to the Company.

9. The above BGSS rates are on a provisional basis, subject to refund with interest on any net over-recovered BGSS balance, and opportunity for full review at the OAL, if necessary, and final approval by the Board.

10. Additionally, the Parties stipulate and agree that, pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize the implementation of the following proposed per therm after tax CIP rates: (1) \$0.0545 for Group I Residential Non-Heat customers, an increase from the current rate of \$0.0507; (2) \$0.1024 for Group II Residential Heat customers, an increase from the current rate of \$0.0095; (3) \$0.0688 for Group III General Service (GSG) customers, an increase from the current rate of \$0.0002; and (4) \$0.0138 for Group IV General Service Large Volume (GSG-LV) customers, an increase in the current rate of \$0.0018. It is agreed by the Parties that these

rate changes will be effective as of October 1, 2012, or as of such later date that the Board may decide. These changes are on a provisional basis, subject to an opportunity for a full review at the Office of Administrative Law (OAL), if necessary, and final approval by the Board.

11. The CIP rates set forth in this Stipulation result in an increase of \$9.29, or 7.0% per month, to the residential heating customer using 100 therms of gas a month. The overall impact on a residential non-heat customer using 15 therms of gas a month is an increase of \$0.06 or 0.2%. The impact on a GSG customer using 500 therms of gas a month is an increase of \$34.30 or 5.8% and the impact on a GSG-LV customer using 15,646 therms of gas a month is an increase of \$187.75 or 1.6%.

12. The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-SJGCHART-1) attached hereto as Exhibit A; and 2) a monthly report showing the calculation of net gas per therm (attached hereto as Exhibit B). The chart reflected on Exhibit A is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Exhibit B is to be submitted to the Parties on approximately the 15th of the following month.

13. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40, but, consistent with paragraph 10 above, the rate changes will not become effective before October 1, 2012.

14. Attached to this Stipulation are proposed tariff sheets to implement the terms of this Stipulation.

15. The undersigned recommend that the Board transmit this matter to the OAL for hearing of all issues, including provisional rates, if necessary.

### III. MISCELLANEOUS

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

17. It is specifically understood and agreed that this Stipulation represents a negotiated interim agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, South Jersey, Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. Also, all rates are subject to Board audit.

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

SOUTH JERSEY GAS COMPANY

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

JEFFREY S. CHIESA  
ATTORNEY GENERAL OF THE STATE OF NEW JERSEY  
Attorney for the Staff of the New Jersey Board of Public Utilities

By: Alex Moreau  
Alex Moreau  
Deputy Attorney General

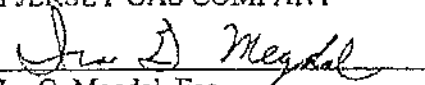
STEFANIE A. BRAND  
DIRECTOR, DIVISION OF RATE COUNSEL

By: \_\_\_\_\_  
Henry M. Ogden, Esq.  
Assistant Deputy Rate Counsel

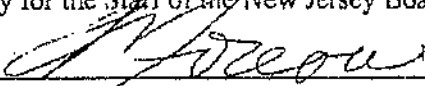
Dated: August 31, 2012

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

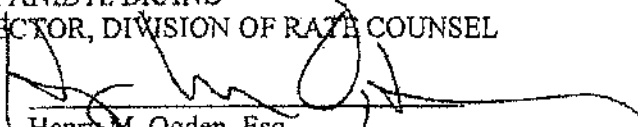
SOUTH JERSEY GAS COMPANY

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By:   
Henry M. Ogden, Esq.  
Assistant Deputy Rate Counsel

Dated: August 31, 2012