



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY FOR APPROVAL OF)
BASE RATE ADJUSTMENTS PURSUANT TO)
THE STORM HARDENING AND RELIABILITY)
PROGRAM ("SHARP II")) DOCKET NO. GR21040748

Parties of Record:

Brian O. Lipman, Esq., Acting Director, New Jersey Division of Rate Counsel
Deborah M. Franco, Esq., on behalf of South Jersey Gas Company

BY THE BOARD:

On April 30, 2021, South Jersey Gas Company ("SJG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting Board approval of base rate adjustments associated with the extension of its Storm Hardening and Reliability Program ("SHARP II" or "Program") ("April 2021 Petition"). By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by SJG, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") intended to resolve the Company's request related to the April 2021 Petition.

BACKGROUND

By Order dated August 20, 2014, the Board authorized SJG to invest approximately \$103.5 million [excluding Allowance for Funds Used During Construction ("AFUDC")] in its original Storm Hardening and Reliability Program ("SHARP I") over a three (3) year period ending June 30, 2017.¹ The SHARP Order authorized SJG to replace low pressure mains and associated services with high pressure mains and associated services, eliminate 52 regulator stations, and install excess flow valves ("EFVs") in the municipalities of Atlantic City, Ventnor City, Margate, Longport, Ocean City, Wildwood, North Wildwood, Wildwood Crest, and West Cape May. The SHARP Order also authorized a cost recovery mechanism applicable to SHARP I projects through annual base rate adjustments, implemented on a provisional basis, pending a prudence review in future base rate cases.

¹ In re the Petition of South Jersey Gas Company for Approval of a Storm Hardening and Reliability Program (SHARP) and Associated Recovery Mechanism, BPU Docket No. GO13090814, Order dated August 20, 2014 ("SHARP Order").

By Order dated May 22, 2018, the Board authorized SJG to implement SHARP II, with an approximate \$100.25 million investment over three (3) years (approximately \$33.4 million, plus or minus 15% per year) excluding AFUDC.² The purpose of the Program was to enhance the safety and reliability of the gas distribution system in coastal areas, and mitigate potential impacts of major storm events. SHARP II investments included the Company's proposed pipeline looping projects, including the Absecon Island Loop Project, Ocean City Loop Project, and Brigantine Bridge Project, as well as the installation of approximately 20,000 EFVs in coastal areas.

APRIL 2021 PETITION

In the April 2021 Petition, SJG sought Board approval to recover approximately \$2.16 million, [(excluding Sales and Use Tax ("SUT"))] in revenue related to approximately \$22.00 million of SHARP II investments placed in service during the period July 1, 2020 through June 30, 2021 (including AFUDC). The April 2021 Petition was based upon actual costs for the period July 1, 2021 through March 31, 2021, and projected costs for the period April 1, 2021 through June 30, 2021.

On July 15, 2021, SJG updated to the April 2021 Petition to include actual expenditures through June 30, 2021 ("July 2021 Update"). The update supported a revenue requirement of approximately \$2.22 million, excluding SUT, associated with \$22.79 million (including AFUDC) of SHARP II investments placed in service through June 30, 2021. A breakdown of the revenue requirement is in the table below.

Revenue Requirement Calculation

Projected Plant in service as of 6-30-2021	\$22,581,551
AFUDC	204,296
Gross Plant in service as of 6-30-2021	22,785,848
Accumulated Depreciation	(344,955)
Rate Base	22,440,893
Accumulated Deferred Tax	(359,338)
Net Rate Base	22,081,555
Rate of Return Net	6.42%
Return Requirement (Net of Tax)	1,417,194
Depreciation Expense, Net of Tax	253,279
Revenue Recovery	1,670,473
Revenue Factor	1.418291
Total Revenue Requirement, including SUT	\$2,369,217
Total Revenue Requirement, excluding SUT	\$2,222,009

After publication of notices in newspapers of general circulation in the Company's service territory, public hearings in this matter were conducted telephonically on August 12, 2021.³ No members of the public appeared or provided written comments.

² In re the Petition of South Jersey Gas Company for Approval to Continue its Storm Hardening and Reliability Program ("SHARP II") and Associated Recovery Mechanism, BPU Docket No. GO17111130, Order dated May 22, 2018 ("SHARP II Order").

³ Due to the COVID-19 pandemic, public hearings were held telephonically.

STIPULATION

Following the review of the April 2021 Petition, the July 2021 Update, as well as conducting discovery, the Parties executed the Stipulation, which provides for the following⁴:

16. The revenue requirement associated with the approximately \$22.8 million of SHARP II Investments, including AFUDC, to be rolled into base rates shall be \$2,369,217, including SUT. The calculation of this revenue requirement is set forth on Schedule A, attached to the Stipulation.
17. Upon Board approval, the Company will implement the SHARP II rates shown in Schedule B of the Stipulation, and these rates shall remain in effect until changed by order of the Board. These rate changes will increase the monthly bill of a residential customer using 100 therms by \$0.63 from \$150.04 to 150.67 or 0.4%, as compared to rates in effect on July 1, 2021.
18. The Company may implement the base rates, as set forth on Schedule B of the Stipulation, effective upon Board approval.
19. Pursuant to paragraph 22 of the Board's SHARP II Order, the Stipulation does not include a prudency review of the expenditures made in connection with SHARP II.

DISCUSSION AND FINDINGS

The Board reviewed the record in this matter, including the April 2021 Petition, the July 2021 Update, and the attached Stipulation, and **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY APPROVES** the rate adjustments reflected in the Stipulation on a provisional basis, subject to refund and review for prudency in a future base rate case. As a result of the Stipulation, a typical residential customer using 100 therms in a winter month would see an increase in their bill of \$0.63, or 0.4%.

The Company is **HEREBY DIRECTED** to file tariff sheets conforming to the terms of this Order by October 1, 2021.

The Company's costs, including those related to SHARP II, will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions deemed to be appropriate because of any such audit.

⁴ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

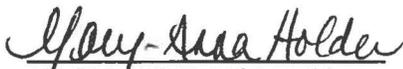
The effective date of this Order is September 21, 2021.

DATED: September 14, 2021

BOARD OF PUBLIC UTILITIES
BY:



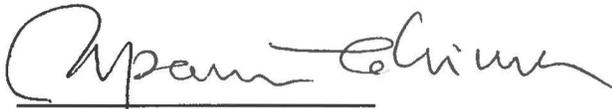
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL
OF BASE RATE ADJUSTMENTS PURSUANT TO THE STORM HARDENING AND
RELIABILITY PROGRAM ("SHARP II") - DOCKET NO. GR21040748

SERVICE LIST

<p><u>South Jersey Gas Company:</u></p> <p>Deborah M. Franco, Esq. 520 Green Lane Union, NJ 07083 dfranco@sjindustries.com</p> <p>1 South Jersey Place Atlantic City, NJ 08401</p> <p>Cindy Capozzoli Director, Rates, SJI Utilities ccapozzoli@sjindustries.com</p> <p>Carolyn A. Jacobs cjacobs@sjindustries.com</p> <p>Brent Schomber bschomber@sjindustries.com</p> <p><u>New Jersey Division of Rate Counsel:</u> Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625</p> <p>Brian Lipman, Esq., Acting Director blipman@rpa.nj.gov</p> <p>Henry Ogden, Esq. hogden@rpa.nj.gov</p> <p><u>Rate Counsel Consultant</u></p> <p>Robert J. Henkes Henkes Consulting 7 Sunset Road Old Greenwich, CT 06870 rhenkes@optonline.net</p>	<p><u>Board of Public Utilities:</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Aida Camacho-Welch, Board Secretary board.secretary@bpu.nj.gov</p> <p>Robert Brabston, Esq., Executive Director robert.brabston@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Office of the General Counsel</u></p> <p>Abe Silverman, Esq., General Counsel abe.silverman@bpu.nj.gov</p> <p>Heather Weisband, Esq., Senior Counsel heather.weisband@bpu.nj.gov</p> <p><u>Division of Energy</u></p> <p>Beverly Tyndell beverly.tyndell@bpu.nj.gov</p> <p><u>Deputy Attorneys General:</u> Division of Law 25 Market Street, Post Office Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov</p> <p>Darren Eppley, DAG daren.eppley@law.njoag.gov</p> <p>Terel Klein, Esq., DAG terel.klein@law.njoag.gov</p> <p>Michael Beck, DAG michael.beck@law.njoag.gov</p>
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Deborah M. Franco, Esq.
VP/Rates, Regulatory & Sustainability

September 10, 2021

Aida Camacho-Welch
Office of the Secretary
NJ Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of South Jersey Gas Company for Approval of Base Rate Adjustments Pursuant to the Storm Harding and Reliability Program (“SHARP II”) BPU Docket No GR21040748

Dear Secretary Camacho-Welch:

Enclosed for filing in the above-referenced proceeding is a Stipulation executed by representatives of South Jersey Gas Company, the Staff of the Board of Public Utilities and the Division of Rate Counsel. It is respectfully requested that the Board consider the Stipulation at its September 14, 2021 agenda meeting.

Should you have any questions, please do not hesitate to contact me.

Respectfully,

A handwritten signature in black ink, appearing to read "Deborah M. Franco".

Deborah M. Franco

DMF:caj
Enclosures

cc: Service List (with enclosures)

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY
FOR APPROVAL OF BASE RATE ADJUSTMENTS PURSUANT TO THE
STORM HARDENING AND RELIABILITY PROGRAM (“SHARP II”)
DOCKET NO. GR21040748**

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SOUTH JERSEY GAS COMPANY

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

**IN THE MATTER OF THE PETITION OF :
SOUTH JERSEY GAS COMPANY FOR : BPU DOCKET NO. GR21040748
APPROVAL OF BASE RATE ADJUSTMENTS :
PURSUANT TO THE STORM HARDENING : STIPULATION OF SETTLEMENT
AND RELIABILITY PROGRAM (“SHARP II”) :**

APPEARANCES:

Deborah M. Franco, Esq., VP, Rates, Regulatory & Sustainability, SJIU for Petitioner, South Jersey Gas Company

Brian Lipman, Acting Director and Litigation Manager, **Henry M. Ogden, Esq.**, Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel.

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Andrew J. Bruck, Acting Attorney General of New Jersey).

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement addresses the petition filed by South Jersey Gas Company (“SJG” or “Company”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) on April 30, 2021, and subsequently updated on July 15, 2021 (“12&0 Update”), for base rate adjustments to cost recovery associated with the Company’s Storm Hardening and Reliability Program (“SHARP II” or “Program”) (“Petition”). SHARP II was approved by the Board on May 22, 2018 in Docket No. GO17111130 (“May 22 Order”).

I. BACKGROUND

1. On August 20, 2014, in BPU Docket Nos. AX13030197 and GO13090814, the Board approved the Company’s original Storm Hardening and Reliability Program (“SHARP I”) as a three (3) year program commencing on July 1, 2014 and continuing until June 30, 2017 (“SHARP I Order”). Pursuant to the SHARP I Order, the Company was authorized to invest approximately \$34.5 million per year, plus or minus 15%, excluding Allowance for Funds Used

During Construction (“AFUDC”), for a total of \$103.5 million, to replace low pressure mains and associated services with high pressure mains and associated services, eliminate 52 regulator stations, and install Excess Flow Valves (“EFVs”) in the coastal regions.

2. On November 2, 2017, the Company petitioned the Board seeking approval of SHARP II, which was a second phase of SHARP I, and to utilize an associated recovery mechanism to recover costs from ratepayers through an annual SHARP II rate adjustment filing [“Annual Filing(s)”].

3. After notice and public hearings, on March 15, 2018, the Company, Board Staff and the Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) entered into a Stipulation of Settlement (“SHARP II Stipulation”) regarding the Program. By its May 22 Order, the Board approved SHARP II, including the authorized investments and cost recovery mechanism to be utilized.

4. The SHARP II Stipulation provided that SHARP II would include the Company’s proposed pipeline looping projects, including Absecon Island Loop Project, Ocean City Loop Project, and Brigantine Bridge Project, and installation of approximately 20,000 EFVs in coastal areas (“SHARP II Investments”).

5. The SHARP II Stipulation further provided that the Program would encompass a three (3) year period beginning June 1, 2018 and ending June 30, 2021. The costs of the Program were limited to \$100.25 million, or \$33.4 million per year, plus or minus 15%, excluding AFUDC.

6. The SHARP II Stipulation further provided that non-construction expenditures, such as planning and engineering of SHARP II projects incurred as of June 1, 2018, shall be included in SHARP II Investments for the first year of SHARP II.

7. Pursuant to the SHARP II Stipulation, cost recovery for SHARP II Investments is effectuated by an annual adjustment to base distribution rates accomplished through the Company's Annual Filings.

II. PROCEDURAL HISTORY

8. On April 30, 2019, the Company made its first Annual Filing seeking recovery of the revenue requirements associated with SHARP II Investments placed into service from June 1, 2018 through June 30, 2019 ("First Annual Filing"). In the First Annual Filing, the Company provided actual SHARP II investment data for the period July 1, 2018 through March 31, 2019, and forecasted data for the period April 1, 2019 through June 30, 2019. Through its subsequent update to the First Annual Filing, the Company sought recovery of SHARP II revenue requirements of approximately \$3.1 million, including Sales and Use Tax ("SUT"), associated with actual SHARP II Investments of approximately \$27.5 million, including AFUDC. The Board authorized the proposed base rate adjustments, effective October 1, 2019, by Order dated September 27, 2019 in BPU Docket No. GR19040529 ("September 27 Order").

9. As reflected in the stipulation approved by the September 27 Order, the Company increased its forecasted average cost for an installed EFV from approximately \$3,650, to approximately \$4,700 based on actual costs incurred during Year 1 of SHARP II. The Company updated its forecast, indicating it expected to install approximately 11,000 EFVs throughout the three (3) year program at a total cost of approximately \$52 million, compared to the original estimated 20,000 EFV installations at a total cost of approximately \$63 million as reflected in the stipulation approved by the Board's May 22 Order. The stipulation approved by the September 27 Order also indicated that as part of its Stipulated Base, the Company also expects to install 2,100 EFVs at a total cost of approximately \$10 million. In addition, the Company revised the

estimated cost of the Absecon Island Loop Project by increasing it to approximately \$22 million from the original forecast of approximately \$14 million, due to higher than anticipated construction costs as well as increased restoration requirements.

10. On April 30, 2020, the Company made its second Annual Filing seeking recovery of the revenue requirements associated with SHARP II Investments placed into service from July 1, 2019 through June 30, 2020 (“Second Annual Filing”). The Company provided actual SHARP II investment data for the period July 1, 2019 through March 31, 2020 and forecasted data for the period April 1, 2020 through June 30, 2020. Through its subsequent update to the Second Annual Filing, the Company sought recovery of SHARP II revenue requirements of approximately \$3.7 million, including SUT, associated with approximately \$33.5 million of SHARP II Investments, including AFUDC. The Board authorized the proposed base rate adjustment effective October 1, 2020, by its Order dated September 23, 2020 in BPU Docket No. GR20050325.

11. On April 30, 2021, the Company filed the Petition constituting its third Annual Filing seeking recovery of the revenue requirements associated with SHARP II Investments placed into service from July 1, 2020 through June 30, 2021 (“Third Annual Filing”). The Company provided actual SHARP II investment data for the period July 1, 2020 through March 31, 2021 and forecasted data for the period April 1, 2021 through June 30, 2021.

12. As part of the Third Annual Filing, the Company sought authority to recover SHARP II revenue requirements of approximately \$2.3 million, including SUT, associated with actual and projected SHARP II Investments of approximately \$22.0 million, including AFUDC. The impact of the rates in the Petition on the bill of a typical residential heating customer using 100 therms of natural gas during a winter month amounted to an increase of \$0.61, or 0.4%. The

SHARP II Investments, revenue requirement, and base rate adjustment were supported by the Direct Testimony of Brent Schomber, President and Chief Operating Officer (previously Vice President of Operations), and Cindy Capozzoli, Director of Rates.

13. On July 15, 2021, the Company filed the 12&0 Update providing a full year of actual SHARP II investment data through June 30, 2021. Updated schedules supporting a revenue requirement of approximately \$2.22 million, excluding SUT, associated with approximately \$22.8 million of SHARP II Investments, including AFUDC, were provided as well as an updated proposed base rate adjustment. As a result of the 12&0 Update, the impact of the proposed rates on the bill of a typical residential heating customer using 100 therms of natural gas during a winter month amounts to \$0.63, or 0.4%.

14. Due to the COVID-19 pandemic, following proper notice, public hearings were held in this matter telephonically on August 12, 2021. No members of the public appeared or provided written comments.

III. STIPULATED TERMS

15. Upon review of the Petition, the 12&0 Update, the accompanying Testimony and Schedules, and the Company's responses to written data requests, and after settlement discussions among the Parties, the Parties STIPULATE AND AGREE as follows:

16. The revenue requirement associated with the approximately \$22.8 million of SHARP II Investments, including AFUDC, to be rolled into base rates shall be \$2,369,217, including SUT. The calculation of this revenue requirement is set forth on Schedule A, attached hereto.

17. Upon Board approval, the Company will implement the SHARP II rates shown in Schedule B, and these rates shall remain in effect until changed by order of the Board. These rate

changes will increase the monthly bill of a residential customer using 100 therms by \$0.63 from \$150.04 to 150.67 or 0.4%, as compared to rates in effect on July 1, 2021.

18. The Company may implement the base rates, as set forth on Schedule B, attached hereto, effective upon Board approval.

19. Pursuant to paragraph 22 of the Board's May 22 Order, this Stipulation does not include a prudency review of the expenditures made in connection with SHARP II.

IV. MISCELLANEOUS

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

21. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, SJG, Board 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.

22. This Stipulation may be executed in as many counterparts as there are signatories of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

WHEREFORE, the Parties hereto 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: _____
Deborah M. Franco, Esq.
VP, Rates, Regulatory & Sustainability

ANDREW J. BRUCK
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities



By: _____
Terel Klein
Deputy Attorney General

BRIAN O. LIPMAN
ACTING DIRECTOR, DIVISION OF RATE COUNSEL

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

Dated: September 10, 2021

SOUTH JERSEY GAS COMPANY
STORM HARDENING AND RELIABILITY PROGRAM ("SHARP II")
REVENUE REQUIREMENT AND RATE CALCULATION
Year 3 - Roll-In 10/1/2021

Line No.		
1		
2	Plant in Service as of June 30, 2021	\$22,581,551
3	AFUDC	<u>204,296</u>
4	Gross Plant in Service as of June 30, 2021	22,785,848
5		
6	Accumulated Depreciation	<u>(344,955)</u>
7		
8	Rate Base	22,440,893
9		
10	Accumulated Deferred Tax	<u>(359,338)</u>
11		
12	Net Rate Base	22,081,555
13		
14	Rate of Return - Net	<u>6.42%</u>
15		
16	Return Requirement (Net of Tax)	1,417,194
17		
18	Depreciation Expense, Net of Tax	<u>253,279</u>
19		
20	Revenue Recovery	1,670,473
21		
22	Revenue Factor	<u>1.418291</u>
23		
24	Total Revenue Requirement, including SUT	<u>\$2,369,217</u>
25		
26	Total Revenue Requirement, excluding SUT	<u>\$2,222,009</u>

SOUTH JERSEY GAS COMPANY
BASE AND TOTAL REVENUES AT PRESENT AND PROPOSED RATES

<u>Component</u>	<u>Amount</u>	<u>Units</u>	<u>Present Rates (Effective July 1, 2021)</u>		<u>Proposed Rates (Effective Oct 1, 2021)</u>		
			<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>	<u>Increase</u>
<u>Residential Service</u>			<u>RSG</u>		<u>RSG</u>		
Customer Charge	4,557,601 Bills		\$ 9.85	\$ 44,892,370	\$ 9.85	\$ 44,892,370	
Distribution Charge	265,712,873 Therms		0.810259	215,296,247	0.816156	216,863,156	
Total Base Revenues				\$ 260,188,617		\$ 261,755,526	0.6%
<u>General Service (0-100,000 Annual Therms)</u>			<u>GSG</u>		<u>GSG</u>		
Customer Charge	318,717 Bills		\$ 34.75	\$ 11,075,416	\$ 34.75	\$ 11,075,416	
Distribution Charge	98,604,223 Therms		0.664493	65,521,816	0.669171	65,983,087	
Total Base Revenues				\$ 76,597,232		\$ 77,058,502	0.6%
<u>General Service Large Volume (100,000 + Annual Therms)</u>			<u>GSG-LV</u>		<u>GSG-LV</u>		
Customer Charge	2,043 Bills		\$ 225.00	\$ 459,675	\$ 225.00	\$ 459,675	
Demand Charge	231,528 Mcf		12.2500	2,836,218	12.2500	2,836,218	
Distribution Charge	29,002,749 Therms		0.329642	9,560,524	0.332312	9,637,962	
Total Base Revenues				\$ 12,856,417		\$ 12,933,855	0.6%
<u>Comprehensive Firm Transportation Service</u>			<u>CTS</u>		<u>CTS</u>		
Customer Charge	564 Bills		\$ 750.00	\$ 423,000	\$ 750.00	\$ 423,000	
Demand Charge	165,024 Mcf		31.7500	5,239,512	31.7500	5,239,512	
Distribution Charge	31,227,584 Therms		0.084501	2,638,762	0.086102	2,688,757	
Total Base Revenues				\$ 8,301,274		\$ 8,351,269	0.6%

SOUTH JERSEY GAS COMPANY
BASE AND TOTAL REVENUES AT PRESENT AND PROPOSED RATES

<u>Component</u>	<u>Amount</u>	<u>Units</u>	<u>Present Rates (Effective July 1, 2021)</u>		<u>Proposed Rates (Effective Oct 1, 2021)</u>		
			<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>	<u>Increase</u>
			<u>LVS</u>		<u>LVS</u>		
<u>Large Volume Service</u>							
Customer Charge	300 Bills		\$ 1,050.00	\$ 315,000	\$ 1,050.00	\$ 315,000	
Demand Charge	299,496 Mcf		18.7500	5,615,550	18.7500	5,615,550	
Distribution Charge	64,590,601 Therms		0.056873	3,673,461	0.057768	3,731,270	
Total Base Revenues				\$ 9,604,011		\$ 9,661,820	0.6%
			<u>EGS</u>		<u>EGS</u>		
<u>Electric Generation Service</u>							
Customer Charge	157 Bills		\$ 79.00	\$ 12,403	\$ 79.00	\$ 12,403	
Demand Charge	9,396 Mcf		8.2500	77,517	8.2500	77,517	
Distribution Charge (Nov - Mar.)	763,767 Therms		0.156530	119,552	0.157677	120,428	
Distribution Charge (Apr - Oct.)	1,002,386 Therms		0.126530	126,832	0.127677	127,982	
Total Base Revenues				\$ 336,304		\$ 338,330	0.6%
			<u>EGS-LV</u>		<u>EGS-LV</u>		
<u>Electric Generation Service - Large Volume</u>							
Customer Charge	108 Bills		\$ 750.00	81,000	\$ 750.00	81,000	
Demand Charge	20,400 Mcf		25.370704	517,562	25.547411	521,167	
Total Base Revenues				\$ 598,562		\$ 602,167	0.6%

SOUTH JERSEY GAS COMPANY
BASE AND TOTAL REVENUES AT PRESENT AND PROPOSED RATES

Component	Amount	Units	Present Rates (Effective July 1, 2021)		Proposed Rates (Effective Oct 1, 2021)		
			Rate	Revenue	Rate	Revenue	Increase
			<u>NGV</u>		<u>NGV</u>		
<u>Natural Gas Vehicle Service</u>							
Cust. Charge 0-999 CFH	12	Bills	\$ 37.50	\$ 450	\$ 37.50	\$ 450	
Cust. Charge 1,000-4,999 CFH	-	Bills	75.00	-	75.00	-	
Cust. Charge 5,000-24,999 CFH	12	Bills	220.00	2,640	220.00	2,640	
Cust. Charge 25,000+ CFH	84	Bills	925.00	77,700	925.00	77,700	
Distribution Charge	1,719,145	Therms	0.220521	<u>379,108</u>	0.222132	<u>381,877</u>	
Subtotal Distribution				\$ 459,898		\$ 462,667	<u>0.6%</u>
Compression Charge	426,388	Therms	0.613280	<u>261,495</u>	0.6132800	<u>261,495</u>	
Total Base Revenues				\$ 721,393		\$ 724,162	
			<u>GLS</u>		<u>GLS</u>		
<u>Gas Lights Service</u>							
Yard Lights	48	Mantles	\$ 10.146422	\$ 5,844	\$ 10.207529	\$ 5,880	
Street Lights	36	Mantles	\$ 10.937993	<u>4,725</u>	\$ 11.003867	<u>4,754</u>	
Total Base Revenues				\$ 10,570		\$ 10,633	0.6%
TOTAL SYSTEM BASE DISTRIBUTION REVENUES				<u>\$ 369,214,380</u>		<u>\$ 371,436,265</u>	<u>0.6%</u>
TOTAL SYSTEM INCLUDING OTHER REVENUES				<u>\$ 369,214,380</u>		<u>\$ 371,436,265</u>	<u>0.6%</u>

INCREASE	2,221,884
TARGET INCREASE	<u>2,222,009</u>
Difference	(\$125)