



Agenda Date: 4/23/25  
Agenda Item: 2N

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 1<sup>st</sup> Floor**  
**Trenton, New Jersey 08625-0350**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH	)	DECISION AND ORDER
JERSEY GAS COMPANY TO REVISE THE LEVEL	)	APPROVING INITIAL DECISION
OF ITS BASIC GAS SUPPLY SERVICE ("BGSS")	)	AND STIPULATION FOR FINAL
CHARGE AND CONSERVATION INCENTIVE	)	BGSS, BSC AND CIP RATES
PROGRAM ("CIP") CHARGE FOR THE YEAR	)	
ENDING SEPTEMBER 30, 2025	)	DOCKET NO. GR24060370
	)	OAL DOCKET NO PUC 16381-24

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Dominick DiRocco, Esq.**, South Jersey Gas Company

**BY THE BOARD:**

On May 31, 2024, South Jersey Gas Company ("South Jersey" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking approval to: 1) increase the level of its periodic Basic Gas Supply Service ("BGSS") ("BGSS-P") charge; 2) decrease the level of its Balancing Service Clause ("BSC") charge associated with its Rider "J" - General Service ("BSC-GS"); 3) increase the level of its opt-out BSC charge associated with its Rider "I" – Large Volume ("BSC-LV"); 4) decrease the level of its Conservation Incentive Program ("CIP") rates for Residential ("RSG") Non-Heating and General Service ("GSG") customers; and 5) increase the CIP charges for RSG Heating and General Service Large Volume ("GSG-LV") for the period October 1, 2024, through September 30, 2025 ("2024 BGSS/CIP Petition"). By this Decision and Order, the Board considers an Initial Decision executed by Administrative Law Judge ("ALJ") Jacob Gertsman and a stipulation for final rates ("Stipulation") executed by South Jersey, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") (collectively, "Parties") recommending that the Board approve modifications to South Jersey's BGSS-P, BSC, and CIP rates on a final basis.

## **BACKGROUND/PROCEDURAL HISTORY**

By Order dated January 6, 2003, the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs") to submit to the Board by June 1, its annual BGSS gas cost filing for the BGSS year beginning October 1.<sup>1</sup> In addition, the January 2003 BGSS Order authorized each GDC to self-implement up to a five percent (5%) BGSS rate increase effective December 1 of the current year and February 1 of the following year with one (1) month's advance notice to the Board and Rate Counsel, and implement a decrease in its BGSS rate at any time during the year upon five (5) days' notice to the Board and Rate Counsel.

## **2024 BGSS/CIP PETITION**

Pursuant to the January 2003 BGSS Order, on May 31, 2024, South Jersey filed the 2024 BGSS/CIP Petition requesting authority to increase its per therm BGSS-P rate from \$0.415037 per therm to \$0.420233 per therm, effective October 1, 2024.<sup>2</sup> According to South Jersey, the proposed increase in the BGSS-P rate was the result of 1) continuing to execute its gas procurement strategy and plan which included financial hedging strategies on file with the Board; and 2) maximizing credits to firm customers through the optimization of its gas supply and upstream capacity management which has resulted in the inclusion of a credit to BGSS gas costs of \$26.8 million in the 2024-2025 BGSS/CIP Year.

By Order dated May 5, 2021, the Board authorized South Jersey to recover, over a two (2)-year period, \$24,246,132 of gas supply and related costs incurred as a resolution with the contract dispute with Antero Resource Corporation ("Antero"), one of the Company's gas suppliers.<sup>3</sup> The remaining fifty percent (50%) or \$12,123,066 of the Antero costs would be included for recovery in the Company's 2021-22 BGSS/CIP proceeding. By Order dated November 17, 2021, the Board extended the Antero amortization period through September 30, 2024.<sup>4</sup> At the time of filing the 2024 BGSS/CIP Petition, South Jersey forecasted that as of September 30, 2024, \$959,904 million of Antero costs would remain to be amortized. By the 2024 BGSS/CIP Petition, the Company proposed that the first \$959,904 of BGSS-P recoveries for the 2024-2025 BGSS/CIP year be applied to the remaining Antero unamortized balance completing the Company's authorized recovery of the Antero costs during the 2024-2025 BGSS/CIP Year.

In the 2024 BGSS/CIP Petition, the Company also requested the following BGSS rates:

- i. the gas cost portion of the Company's D-2 charge for Rate Schedule Large Volume Service ("LVS") be set at \$16.494513 per Mcf;
- ii. the gas cost portion of the Firm D-2 charge for Rate Schedule Electric Generation Service – Large Volume ("EGS-LV") Firm be set at \$16.575946 per Mcf;

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<sup>1</sup> In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act, N.J.S.A. 48:3-49 et seq., BPU Docket No. GX01050304, Order dated January 6, 2003 ("January 2003 BGSS Order").

<sup>2</sup> Unless otherwise noted, all rates quoted herein include Sales and Use Tax.

<sup>3</sup> In re the Petition of South Jersey Gas Company to Revise the Level of Its Basic Gas Supply Service ("BGSS") Charge and Conservation Incentive Program ("CIP") Charges for the Year Ending September 30, 2021, BPU Docket No. GR20060383, Order dated May 5, 2021.

<sup>4</sup> In re the Petition of South Jersey Gas Company to Revise the Level of its Basic Gas Supply Service ("BGSS") Charge and Conservation Incentive Program ("CIP") Charges for the Year Ending September 30, 2022, BPU Docket No. GR21060881, Order dated November 17, 2021.

- iii. the Limited Firm D-2 charge for Rate Schedule EGS-LV, and the D-2 charge for Rate Schedule Firm Electric Service ("FES"), be set at \$8.247257 per Mcf;
- iv. the monthly BGSS non-commodity rate applicable to Rate Schedules General Service ("GSG"), General Service – Large Volume ("GSG-LV"), Electric General Service ("EGS"), LVS, EGS-LV and Natural Gas Vehicle ("NGV") be set at \$0.226373 per therm;
- v. the Rider "I" BSC-LV charges for Opt-Out be set at \$0.002427 per therm and Non-Opt-Out be set at \$0.068583 per therm; and
- vi. the Rider "J" BSC-GS charge be set at \$0.068583 per therm.

Through discovery, the Company updated the proposed BGSS-P rate to \$0.396655, as well as the non-commodity charge for monthly BGSS customers to \$0.226356 per therm. The BGSS and balancing charge changes proposed in the 2024 BGSS/CIP Petition translate to a decrease in annual BGSS recoveries of \$7.5 million.

By the 2024 BGSS/CIP Petition, South Jersey also requested to implement the following per therm CIP rates:

- i. \$0.009051 for Group I Residential Non-Heat customers;
- ii. \$0.128362 for Group II Residential Heat customers;
- iii. \$0.069739 for Group III GSG customers; and
- iv. \$0.059608 for Group IV GSG-LV customers

Through discovery, South Jersey updated its resultant per therm CIP rates based on actual data through June 30, 2024, resulting in the following resultant rate per therm.

- A rate of \$0.016743 for Group I Residential Non-Heat customers;
- A rate of \$0.132168 for Group II Residential Heat customers.
- A rate of \$0.076872 for Group III GSG customers; and
- A rate of \$0.048269 for Group IV GSG-LV customers.

The proposed changes translated to an increase in annual CIP recoveries of \$3.0 million.

After proper notice in newspapers of general circulation in the company's service territory, public hearings were held on August 28, 2024, at 4:30 p.m. and 5:30 p.m. No members of the public appeared at the hearings or filed written comments with the Board.

By Order dated September 25, 2024, the Board approved a stipulation for provisional rates executed by the parties.<sup>5</sup> The September 2024 Provisional Order authorized South Jersey to implement modified BGSS, BSC and the CIP rates on a provisional basis, subject to refund, effective October 1, 2024. As a result of the September 2024 Provisional Order, a typical residential heating customer using 100 therms per month was expected to experience a decrease of \$1.51 in their monthly bill.

On November 20, 2024, the Board transmitted the matter to the Office of Administrative Law ("OAL") as a contested case which was subsequently assigned to ALJ Gertsman. On January 22, 2025, a prehearing conference was held telephonically.

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<sup>5</sup> In re the Petition of South Jersey Gas Company to Revise the Level of its Basic Gas Supply Service ("BGSS") Charge and Conservation Incentive Program ("CIP") Charge for the Year Ending September 30, 2025, BPU Docket No GR24060370, Order dated September 25, 2024 ("September 2024 Provisional Order").

## **STIPULATION**

Following review and discussions, the Parties executed the Stipulation, which provides for the following:<sup>6</sup>

17. The provisional rates previously approved by the Board are reasonable and prudent and should be made final.
18. The Company's future annual BGSS gas cost filings shall continue to comply with the annual BGSS Minimum Filing Requirements adopted by the Board (also known as MFRs) (attached to the Stipulation as Exhibit A).
19. The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the updated monthly information: 1) the BGSS NYMEX Update Report (also known as S-SCHART-1) (attached to the Stipulation as Exhibit B) and 2) a monthly report showing the calculation of net-gas per therm (also known as S-SCHART-2) (attached to the Stipulation as Exhibit C.). The chart reflected on Exhibit B of the Stipulation 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 C of the Stipulation is to be submitted to the Parties on approximately the 15th of the following month. After the annual BGSS proceeding is filed each year, the monthly reports filed with the Board thereafter shall be updated to reflect the current BGSS year and upcoming BGSS year. Monthly reports will continue to be filed with the Parties using the current BGSS year and upcoming BGSS year until the next annual BGSS filing occurs.
20. The Stipulation provides a final resolution in this proceeding. All issues related to South Jersey's BGSS and CIP costs from the year ending September 30, 2024, are resolved.

## **Initial Decision**

On March 19, 2025, ALJ Gertsman issued his Initial Decision. By the Initial Decision, ALJ Gertsman found that: 1) the Parties have voluntarily agreed to the settlement; and 2) the Stipulation fully disposes of all issues in controversy and is consistent with the law.

## **DISCUSSION AND FINDINGS**

The Board, having carefully reviewed the record in this proceeding, including the 2024 BGSS/CIP Petition, the September 2024 Provisional Order, ALJ Gertsman's Initial Decision and the attached Stipulation, **HEREBY FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding, and it is consistent with the law. The Board **FURTHER FINDS** that the Initial Decision, which adopts the Stipulation, is in the public interest and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Initial Decision and 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 following on a final basis:

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<sup>6</sup> Although summarized in this Order in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Each paragraph is numbered to coincide with the paragraphs in the Stipulation.

- i. A per therm BGSS-P rate of \$0.396655.
- ii. The gas cost portion of the D-2 charge for Rate Schedule LVS of \$16.494513 per Mcf;
- iii. The gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm of \$16.575946 per Mcf;
- iv. The Limited Firm D-2 for Rate Schedule EGS-LV and the Firm D-2 charge for Rate Schedule FES, respectively, of \$8.247257 per Mcf;
- v. The monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS, EGS-LV, and NGV of \$0.226356 per therm;
- vi. The Rider "I" BSC-LV charges for Opt-Out of \$0.002427 per therm and Non-Opt-Out be set at \$0.068583 per therm;
- vii. The Rider "J" BSC-GS charge of \$0.068583 per therm; and
- viii. The implementation of the following per therm CIP rates:
  - a. a rate of \$0.016743 for RSG non-heating customers;
  - b. a rate of \$0.128362 for RSG heating customers;
  - c. a rate of \$0.076872 for GSG customers; and
  - d. a rate of \$0.048269 for GSG-LV customers.

Any net over-recovered BGSS, BSC, and CIP balance at the end of the BGSS period shall be subject to refund with interest.

Based upon the Stipulation, there is no additional impact to customer bills.

The Board **HEREBY DIRECTS** South Jersey to file tariffs consistent with the Board's Order by May 15, 2025.

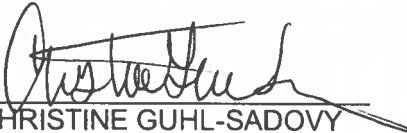
The Company's costs, including those related to BGSS, BSC and CIP, remain subject to audit. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

Agenda Date: 4/23/25  
Agenda Item: 2N

This Order shall be effective April 30, 2025.

DATED: April 23, 2025

BOARD OF PUBLIC UTILITIES  
BY:



CHRISTINE GUHL-SADOVY  
PRESIDENT



DR. ZENON CHRISTODOULOU  
COMMISSIONER

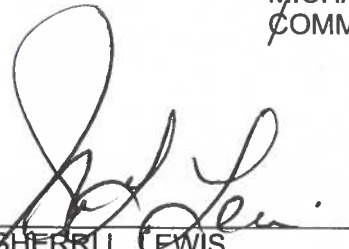


MARIAN ABDOU  
COMMISSIONER



MICHAEL BANGE  
COMMISSIONER

ATTEST:



SHERRI L. LEWIS  
BOARD 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 CONSERVATION INCENTIVE PROGRAM ("CIP") CHARGE FOR  
THE YEAR ENDING SEPTEMBER 30, 2025

BPU DOCKET NO. GR24060370  
OAL DOCKET NO. PUC 16381-24

SERVICE LIST

**SOUTH JERSEY GAS COMPANY**

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

**INITIAL DECISION**

**APPROVING SETTLEMENT**

OAL DKT. NO. PUC 16381-24

AGENCY DKT. NO. GR24060370

**IN THE MATTER OF THE PETITION OF  
SOUTH JERSEY GAS COMPANY TO  
REVISE ITS LEVEL OF BASIC GAS  
SUPPLY SERVICE (BGSS) CHARGE  
AND CONSERVATION INCENTIVE  
PROGRAM (CIP) CHARGE FOR THE  
YEAR ENDING SEPTEMBER 30, 2025.**

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**Sheree L. Kelly**, Regulatory Affairs Counsel and **Dominick DiRocco**, Esq., Vice President, Rates & Regulatory Affairs for petitioner, South Jersey Gas Company

**Kenneth T. Maloney**, Esq. for petitioner, South Jersey Gas Company (Cullen and Dykman LLP, attorneys)

**Matko Ilic** and **Steven Chaplar**, Deputy Attorneys General, for Staff of the Board of Public Utilities (Matthew J. Platkin, Attorney General of New Jersey, attorney)

**Maura Caroselli**, Esq., Managing Attorney, and **Brian Lipman**, Director, for Division of Rate Counsel

Record Closed: March 11, 2025

Decided: March 19, 2025

BEFORE **JACOB S. GERTSMAN**, ALJ t/a:

This proceeding involves a petition filed on May 31, 2024, by South Jersey Gas Company (SJG or Company) requesting that the Board of Public Utilities (Board) approve the Company's request to revise the level of its Basic Gas Supply Service (BGSS) charge, and to revise the level of its Conservation Incentive Program (CIP) charge, for the year ending September 30, 2025.

The petition was transmitted to the Office of Administrative Law (OAL) on November 21, 2024, for determination as a contested case, and assigned to the undersigned, who conducted the initial telephone prehearing conference on January 22, 2025. Duly noticed public hearings were held virtually prior to the transmittal to the OAL on August 28, 2024, at 4:30 p.m. and 5:30 p.m. No members of the public appeared at either hearing and no written comments were received. The parties have agreed to settle this case and have entered into an agreement. Having reviewed the terms of their agreement, I have determined that the settlement is voluntary, consistent with the law, and fully dispositive of all issues in controversy between the parties in this case.

I **ORDER** that the settlement agreement is **APPROVED**, that its terms are **INCORPORATED** into this decision, and that this case is **CONCLUDED**.

I **FILE** my decision with the **BOARD OF PUBLIC UTILITIES** for consideration. This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, who is empowered by law to make a final decision in this case. If the **BOARD OF PUBLIC UTILITIES** does not so act within 45 days, and unless such time limit is otherwise extended, this recommended decision becomes a final decision in accordance with N.J.S.A. 52:14B-10.

March 19, 2025

DATE

  
\_\_\_\_\_  
**JACOB S. GERTSMAN, ALJ t/a**

Date Received at Agency:

March 19, 2025

Date Mailed to Parties:

\_\_\_\_\_

JSG/mph/cab

**APPENDIX**

**EXHIBITS**

**Jointly Submitted**

J-1 Stipulation of Settlement



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T: (973) 886-7635  
skelly@sjindustries.com

Sheree L. Kelly, Esq.  
Regulatory Affairs Counsel

March 11, 2025

**Via Electronic Mail**

The Honorable Jacob Gertsman, ALJ  
Office of Administrative Law  
3444 Quakerbridge Rd, Bldg 9  
Trenton, NJ 08619

**Re: In the Matter of the Petition of South Jersey Gas Company to Revise the Level of Its Basic Gas Supply Service ("BGSS") Charge and Conservation Incentive Program ("CIP") Charge for the Year Ending September 30, 2025  
BPU DOCKET NO. GR24060370  
OAL DOCKET NO. PUC 16381-24**

Dear Judge Gertsman:

Enclosed please find a fully executed Stipulation of Settlement for Your Honor's consideration, with reference to the above captioned matter. If same meets with Your Honor's approval, we respectfully request that an Initial Decision be issued and that this matter be returned to the Board of Public Utilities for disposition.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheree L. Kelly".

Sheree L. Kelly, Esq.

Enclosure

cc: Maura Caroselli  
Steven Chaplar  
Matko Illic  
Dominick DiRocco

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

<b>IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO REVISE THE LEVEL OF ITS BASIC GAS SUPPLY SERVICE (“BGSS”) CHARGE AND CONSERVATION INCENTIVE PROGRAM (“CIP”) CHARGE FOR THE YEAR ENDING SEPTEMBER 30, 2025</b>	<b>x</b>	
	<b>:</b>	<b>BPU Docket No. GR24060370</b>
	<b>:</b>	<b>OAL Docket No. PUC 16381-24</b>
	<b>:</b>	
	<b>:</b>	
	<b>:</b>	<b>STIPULATION FOR FINAL</b>
	<b>:</b>	<b>BGSS/CIP RATES</b>
	<b>x</b>	

**APPEARANCES:**

**Dominick DiRocco, Esq.**, Vice President, Rates & Regulatory Affairs, SJI Utilities Inc., for Petitioner South Jersey Gas Company.

**Maura Caroselli, Esq.**, Managing Attorney, Gas and Clean Energy, **Megan C. Lupo, Esq.**, and **Mamie W. Purnell, Esq.**, Assistant Deputies Rate Counsel for the New Jersey Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director).

**Steven A. Chaplar, Esq.**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Matthew J. Platkin, Attorney General of the State of New Jersey).

**TO THE HONORABLE JACOB S. GERTSMAN, ADMINISTRATIVE LAW JUDGE,  
AND THE BOARD OF PUBLIC UTILITIES:**

1. This Stipulation is intended to make final the provisional Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) rates for South Jersey Gas Company (“South Jersey” or “Company”) previously approved by the New Jersey Board of Public Utilities (“Board” or “BPU”) by Order dated September 25, 2024 in the above captioned proceeding and to resolve all other issues in this proceeding.

**I. PROCEDURAL HISTORY**

2. On May 31, 2024, South Jersey filed a petition in Docket No. GR24060370 (“Petition”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking authority to: 1) increase the level of its Periodic Basic Gas Supply Service (“Periodic BGSS”) charge; 2)

decrease the level of its Balancing Service Clause (“BSC”) charge associated with its Rider “J” - General Service (“BSC-GS”); 3) increase the level of its Opt-Out BSC charge associated with its Rider “I” – Large Volume (“BSC-LV”); 4) decrease the level of its Non Opt-Out BSC charge associated with its Rider “I” – BSC-LV; 5) increase the level of its Conservation Incentive Program (“CIP”) charge for Residential (“RSG”) Heating and General Service - Large Volume (“GSG-LV”) customers and 6) decrease the level of its CIP charge for RSG Non-Heating and General Service (“GSG”) customers for the period October 1, 2024 through September 30, 2025 (“2024-25 BGSS/CIP Year”).

3. In the Petition, the Company proposed to increase the current level of its Periodic BGSS charge of \$0.415037 per therm to \$0.420233 per therm, an increase of \$0.005196 per therm for the 2024-25 BGSS/CIP Year.<sup>1</sup> The requested Periodic BGSS rate would increase the monthly bill of a residential heating customer using 100 therms by \$0.52, or 0.3% as compared to rates in effect as of June 1, 2024.

4. The Company also proposed the following BGSS rates: 1) the gas cost portion of the Company’s D-2 charge for Rate Schedule Large Volume Service (“LVS”) be set at \$16.494513 per Mcf<sup>2</sup>, 2) the gas cost portion of the Firm D-2 charge for Rate Schedule Electric Generation Service – Large Volume (“EGS-LV”) Firm be set at \$16.575946 per Mcf; 3) the Limited Firm D-2 charge for Rate Schedule EGS-LV, and the D-2 charge for Rate Schedule Firm Electric Service (“FES”), be set at \$8.247257 per Mcf; 4) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, Electric General Service (“EGS”), LVS, EGS-LV and Natural Gas Vehicle (“NGV”) be set at \$0.226373 per therm; 5) the Rider

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<sup>1</sup> All rates quoted herein include applicable taxes.

<sup>2</sup> Measurement of natural gas equivalent to 1,000 cubic feet.

“I” BSC-LV charges for Opt-Out be set at \$0.002427 per therm and Non-Opt-Out be set at \$0.068583 per therm; and 6) the Rider “J” BSC-GS charge be set at \$0.068583 per therm.

5. In the Company’s response to data request S-SJG-BGSS-1, the Periodic BGSS rate was updated to \$0.396655 per therm, reflecting a decrease of \$0.018382 from the current level of \$0.415037 per therm (“Updated BGSS-P rate”). The impact of the Updated BGSS-P Rate on a monthly bill of a residential heating customer using 100 therms is a decrease of \$1.84 from \$182.72 to \$180.88, or 1.0% as compared to rates in effect as of June 1, 2024.

6. The proposed rate changes translate to a decrease in annual BGSS recoveries of \$7.5 million.

7. By Order dated May 5, 2021, South Jersey was authorized to recover, through its Periodic BGSS rate over a two-year period, \$24,246,132 of gas supply and related costs incurred as a result of the resolution of a contract dispute with Antero Resources Corporation (“Antero”), one (1) of the Company’s gas suppliers.<sup>3</sup> By its May 2021 Order, the Board approved, on a final basis, the Periodic BGSS rate of \$0.275910 per therm, which consisted of fifty percent (50%) or \$12,123,066 recovery of Antero costs within the 2020-21 BGSS/CIP Year. The Board also ordered the remaining fifty percent (50%), or \$12,123,066, of Antero costs to be recovered in the 2021-22 BGSS/CIP Year. Thus, the May 2021 Order approved an amortization of the Antero costs, resulting in full recovery by September 30, 2022. By Board Order dated November 17, 2021, the Board extended the Antero amortization period through September 2024.<sup>4</sup> At the time of the Company’s filing, it was forecasted that as of September 30, 2024, \$959,904 of Antero

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<sup>3</sup> In re the Petition of South Jersey Gas Company to Revise the Level of Its Basic Gas Supply Service (“BGSS”) Charge and Conservation Incentive Program (“CIP”) Charges for the Year Ending September 30, 2021, BPU Docket No. GR20060383, Order dated May 5, 2021 (“May 2021 Order”).

<sup>4</sup> In re the Petition of South Jersey Gas Company to Revise the Level of Its Basic Gas Supply Service (“BGSS”) Charge and Conservation Incentive Program (“CIP”) Charges for the Year Ending September 30, 2022, BPU Docket No. GR21060881, Order dated November 17, 2021.



costs would remain to be amortized. In the Petition, the Company proposed that the first \$959,904 of periodic BGSS recoveries for the 2024-25 BGSS/CIP Year be applied to the remaining Antero unamortized balance, hence completing the Company's authorized recovery of the Antero costs during the 2024-25 BGSS/CIP Year.

8. On July 30, 2024, the United States Court of Appeals for the District of Columbia Circuit vacated and remanded for further action previous orders of the Federal Energy Regulatory Commission ("FERC") in which FERC had issued a certificate allowing the Transcontinental Gas Pipe Line Company, LLC to construct and operate a pipeline (the Regional Energy Access Expansion Project, or "REA") running through New Jersey and other northeastern states. South Jersey is a participant in the REA project and costs associated with REA project capacity are reflected in the Company's filing in this matter.

9. The Petition also sought Board approval to implement per therm CIP rates effective October 1, 2024, including the following:

- A rate of \$0.009051 for Group I RSG Non-Heat customers;
- A rate of \$0.128362 for Group II RSG Heat customers;
- A rate of \$0.069739 for Group III GSG customers; and
- A rate of \$0.059608 for Group IV GSG-LV customers.

10. In response to data request RCR-A-3, the Company provided updated CIP schedules based on actual data through June 30, 2024, resulting in the following rates per therm ("CIP Update Rates"): (i) \$0.016743 for Group I RSG Non-Heat customers; (ii) \$0.132168 for Group II RSG Heat customers; (iii) \$0.076872 for Group III GSG customers; and (iv) \$0.048269 for Group IV GSG-LV customers. The Company proposed that the originally filed rate of

\$0.128362 for Group II RSG Heat customers and the updated rates per data request RCR-A-3 of (i) \$0.016743 for Group I RSG Non-Heat customers; (ii) \$0.076872 for Group III GSG customers; and (iii) \$0.048269 for Group IV GSG-LV customers be approved effective October 1, 2024.

11. As compared to a monthly bill calculated based upon rates in effect as of June 1, 2024, the CIP Update Rates would result in a monthly bill increase of \$1.66 from \$182.72 to \$184.38, or 0.9%, for a residential heating customer using 100 therms. The proposed monthly bill impact on a residential non-heating customer using fifteen (15) therms of natural gas is a decrease of \$0.30 from \$35.21 to 34.91, or 0.9%. The proposed monthly bill impact on a GSG customer using 500 therms of natural gas is a decrease of \$5.71 from \$795.92 to \$790.21, or 0.7%. The proposed monthly bill impact on a GSG-LV customer using 15,646 therms is a decrease of \$19.66 from \$17,305.46 to \$17,285.80, or 0.1%.

12. The proposed CIP rate changes translate to an increase in annual CIP recoveries of \$3.0 million.

13. Following public notice published in newspapers of general circulation within South Jersey's service territory, two (2) virtual public hearings for this Petition were held on August 28, 2024, at 4:30 PM and 5:30 PM. No members of the public attended either public hearing and the Board received no written comments regarding this matter.

14. South Jersey, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff, the only parties to this proceeding (collectively, “Parties”), agreed that additional time was needed to complete a comprehensive review of the Petition. On September 5, 2024, the Parties executed a stipulation for provisional rates (“Provisional Stipulation”), whereby the Parties agreed:

(a) The treatment of costs associated with the REA project remains an open issue and may be addressed in that review;

(b) The Updated BGSS-P Rate and all other proposed BGSS rates as well as the CIP Update Rates would be implemented on a provisional basis effective October 1, 2024, subject to refund with interest, and subject to an opportunity for full review at the Office of Administrative Law (“OAL”), if necessary, and final approval by the Board (“Provisional Rates”);

(c) The Updated BGSS-P Rate includes unrecovered gas supply and related costs incurred as a result of the resolution of the contract dispute with Antero of approximately \$1.1 million, which is the estimated remaining unamortized Antero balance as of September 30, 2024. The Parties also agreed that the first approximately \$1.1 million of periodic BGSS recoveries for the 2024-25 BGSS/CIP Year be applied to the remaining Antero unamortized balance, hence completing the Company’s authorized recovery of the Antero costs during the 2024-25 BGSS/CIP Year.

15. By its September 2024 Order, the Board approved the Provisional Stipulation in its entirety and approved the Provisional Rates.<sup>5</sup> The Provisional Rates became effective on a

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<sup>5</sup> In re the Petition of South Jersey Gas Company to Revise the Level of Its Basic Gas Supply Service (“BGSS”) Charge and Conservation Incentive Program (“CIP”) Charges for the Year Ending September 30, 2025, BPU Docket

provisional basis, subject to refund with interest for service rendered on or after October 1, 2024.

16. On November 20, 2024, the matter was transmitted to the OAL as a contested case and assigned to the Administrative Law Judge Jacob S. Gertsman. On January 22, 2025, a pre-hearing conference was held telephonically.

## **II. STIPULATED TERMS**

The Parties hereby stipulate and agree as follows:

17. The Provisional Rates previously approved by the Board are reasonable and prudent and should be made final.

18. The Company's future annual BGSS gas cost filings shall continue to comply with the Annual BGSS Minimum Filing Requirements adopted by the Board (also known as MFR's) (attached hereto as Exhibit A).

19. 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-SCHART-1) (attached hereto as Exhibit B); and 2) a monthly report showing the calculation of net gas per therm (also known as S-SCHART-2) (attached hereto as Exhibit C). The chart reflected on Exhibit B 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 C is to be submitted to the Parties on approximately the 15th of the following month. After the annual BGSS proceeding is filed each year, the monthly reports filed with the Board thereafter shall be updated to reflect the current BGSS year and upcoming BGSS year. Monthly reports will

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No. GR24060370, Order dated September 25, 2024 ("September 2024 Order").

continue to be filed with the Parties using the current BGSS year and upcoming BGSS year until the next annual BGSS filing occurs.

20. This Stipulation provides a final resolution in this proceeding. All issues related to South Jersey's BGSS and CIP costs for the year ending September 30, 2024, are resolved.

### **III. MISCELLANEOUS**

21. 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.

22. It is specifically understood and agreed that this Stipulation represents a negotiated final agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, South Jersey, 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. This Stipulation shall not be cited as precedent except for the purpose of enforcing its terms. All rates remain subject to Board audit.

23. The Parties further acknowledge that, should a Board Order be entered approving this Stipulation, 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.

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


**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**

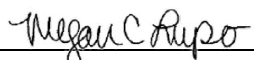


By: \_\_\_\_\_ Dominick DiRocco, Esq.  
Vice President, Rates & Regulatory Affairs  
SJI Utilities, Inc.

**MATTHEW J. PLATKIN ATTORNEY GENERAL OF NEW JERSEY**  
**Attorney for the Staff of the New Jersey Board of Public Utilities**

By:  \_\_\_\_\_  
Steven A. Chaplar, Esq.  
Deputy Attorney General

**BRIAN O. LIPMAN**  
**DIRECTOR, DIVISION OF RATE COUNSEL**

By:  \_\_\_\_\_  
Megan C. Lupo, Esq.  
Assistant Deputy Rate Counsel

Dated: March 10, 2025

## South Jersey Gas Company

2024/25 BGSS Filing  
MINIMUM FILING REQUIREMENT (MFR)

Minimum Filing Requirement	
1. Motion, Supporting Testimony & Tariff Modifications	In support of its filing, a GDC should provide supporting testimony which addresses any material events or major factors affecting either the prior period's deferred gas balance or its forecasted BGSS rate. In addition to the associated motion, redlined tariff sheets should be provided for all proposed tariff changes.
2. Computation of Proposed BGSS Rates	A summary schedule should show all of the forecasted BGSS cost components and applicable credits which comprise the basis for the proposed BGSS rates that are to become effective October 1st. The cost components and applicable credits should be provided with all material amounts broken out separately. A plain English explanation in narrative form regarding this summary schedule should be provided.
3. Public Notice with Proposed Impact on Bills	A copy of the Company's Public Notice should be provided with details concerning the impact of the proposed BGSS rates on typical gas bills at various winter therm utilization levels.
4. Actual and Forecasted Refund Amounts	Schedules should be provided which show actual and estimated supplier refund amounts for the reconciliation period as well as the estimated supplier refunds for the projected period beginning October 1st. The schedule should identify the supplier refunds by month and should provide associated information on the applicable FERC docket involved. A plain English explanation in narrative form should be provided.
5. Cost of Gas Sendout by Component	Monthly data showing the derivation of all cost components shown on the BGSS Computation Schedule should be provided for the reconciliation and projected periods. The monthly data should also provide detail on applicable volumes by customer classification.
6. BGSS Contribution and Credit Offsets	Monthly data showing the derivation of all BGSS cost offsets, including interruptible margins, capacity transactions, pipeline refunds and other credits should be provided for the reconciliation and projected periods. Any applicable FERC Orders will be included. All calculations showing how such offsets were determined should be included. A plain English explanation in narrative form should be provided regarding the BGSS contribution and Credit Offsets. In addition, the Company shall document through testimony for any non-bid releases and/or affiliate contracts, the decision-making process that the Company went through in each case to arrive at its determination to release capacity on a non-biddable basis or enter into any affiliate contract. Such testimony shall include documentation showing the impact that the non-biddable capacity release or affiliate contract was projected to have on total BGSS costs at the time the Company committed to the transaction. In addition, for each non-biddable capacity release, the Company shall determine whether the transaction could have been structured as an off-system sale, and, if so demonstrate that prior to releasing the capacity, the Company compared the benefit to Periodic BGSS customers of making the capacity release compared to the benefit that could have been achieved by structuring the transaction as an off-system sale and the Company shall provide documentation supporting this comparison in its filing.
7. Over/Under Recovery Comparisons	Schedules should be provided which show the derivation of the monthly over or under recoveries plus cumulative balances for the reconciliation and projected period. For the reconciliation period, a schedule should also show the calculation of the monthly actual or estimated accrued interest. These schedules should include prospective data shown for the projected period based on the prevailing BGSS rate and, alternatively, based on the requested BGSS rate.
8. Wholesales Gas Pricing Assumptions	The GDC should provide schedules which detail the monthly gas prices for the reconciliation and projected periods. The schedules should show the prices utilized in developing the existing BGSS rate and those utilized for projecting the proposed BGSS rate. To the degree third party price indexes or forecasts are the basis for such gas prices, associated documentation should also be provided. A plain English explanation in narrative form regarding these schedules should be provided.
9. Gas Cost Under recovery Adjustment ("GCUA") Recoveries and Balances	Schedules should be provided that show monthly data for the GCUA since its inception. The data should provide the unamortized balances, recoveries, and accrued interest by month with any associated workpapers.
10. Historical Service Interruptions	A schedule should be provided which details any service interruptions during the past 12 months. The schedule should show the dates of the interruptions, the service categories affected, the number of customers affected and whether each interruption was operational or economic in nature.

## South Jersey Gas Company

2024/25 BGSS Filing  
MINIMUM FILING REQUIREMENT (MFR)

Minimum Filing Requirement	
11. Gas Price Hedging Activities	The GDC should provide copies of its last four quarterly hedging reports as filed with the Board. It should also provide a schedule covering both the reconciliation and projected period which shows monthly gas purchases volume requirements and price hedged volumes broken down into discretionary and non-discretionary components which allow evaluation of compliance with the GDC's established hedging objectives. A plain English explanation in narrative form regarding these hedging activities should be provided. The Company shall include in all future its next annual BGSS filings testimony that reflects these goals/targets and how the Company managed to such goals/targets.
12. Storage Gas Volumes, Prices and Utilization	Schedules should be provided which show the GDC's monthly data for LNG, LPG, and pipeline storage volumes. The schedules should show volumes and dollars for balances, injections, and withdrawals with all data shown on a Dekatherm basis.
13. Affiliate Gas Supply Transactions	The GDC's filing should have disclosure of all gas supply and capacity transactions with any affiliates during the reconciliation or forecasted periods. The disclosure should provide the nature, terms, and conditions of any such transactions, the dates of the transactions, and evidence that the gas supply or capacity resources transactions were at market rates. It should also provide delivery points for all purchase and sale transactions and comparable daily or monthly price index information for purchase and sale transactions done at a fixed price.
14. Projected Supply and Demand Data with Design Peak Day	Schedules should be provided that show the GDC's firm requirements and gas supplies by component on an annual, heating season and non-heating season basis. The data should be provided for the reconciliation period and the two prior and two prospective annual periods.
15. Actual Peak Day Supply and Demand	The GDC should provide data for the five highest demand days for each of the last three years, showing date, temperature or heating degree day, firm and interruptible volumes and the sources of supply used to meet the associated volume requirement.
16. Capacity Contract Changes	The GDC filing should provide details concerning any changes to its interstate pipeline contracts (entitlements, storage capacities, daily deliverability, transportation, or associated costs) which have been made or occurred during the past 24 months or are planned for the next 12 months. To the degree any significant changes have been made or are planned, a narrative should discuss operational and cost consequences as well as the rationale for the changes.
17. FERC Pipeline Activities	The GDC's filing should provide details on any pending FERC dockets which should affect the cost of services received from the GDC's supplying pipelines. The GDC should also provide details concerning its participation in such dockets and a listing of any filings or testimony made by the GDC or on its behalf.
18. Changes to Firm Transportation and Storage Contracts.	
19. Monthly S-CHART-1 and S-CHART-2	After the annual BGSS proceeding is filed each year, the monthly reports filed with the Board thereafter shall be updated to reflect the current BGSS year and upcoming BGSS year. Monthly reports will continue to be filed with the Parties using the current BGSS year and upcoming BGSS year until the next annual BGSS filing occurs
20. AMA Management Fee Analysis	To the extent the Company enters into baseload Asset Management Agreements ("AMAs") (defined as a transaction with a fixed gas purchase obligation for any day of the term of the AMA), the Company will prepare an analysis produced at the time the AMA is executed that will set forth how much, if any, of the AMA management fee will be excluded from the formula used to determine AMA management fee sharing between the Company and its Periodic BGSS customers because the excluded portion of the fee is the product of an agreement by the Company to provide the Asset Manager with a benefit under the AMA that is forecasted to increase the commodity costs to Periodic BGSS customers. The analysis will calculate a) the lowest estimated delivered price on the contract capacity path up to and including the Company city gate compared to b) the estimated commodity cost per month under the contract price of the AMA. The result of this comparison or c) delta, represents an excess in commodity cost that will be subtracted from d) the AMA management fee arriving at e) the net amount that will be subject to the sharing formula over the term of the AMA.



**S-SCHART-1**  
**BGSS NYMEX Update Report**  
**As of January 3, 2025**

Exhibit B

	<i>a</i>	<i>b</i>	<i>c = b - a</i>		<i>d</i>	<i>e</i>	<i>f = d - e</i>	<i>g = c x f</i>
<b>Month</b>	<b>FORECAST</b>	<b>NYMEX 1/3/2025</b>	<b>Incr/ (Decr)</b>	<b>% Chg</b>	<b>Sales forecast (dths)</b>	<b>Hedged volume (dths)</b>	<b>Unhedged volume (dths)</b>	<b>Change in value unhedged</b>
Oct-23	\$ 2.520	\$ 2.764	\$ 0.244		1,360,009	820,000	540,009	\$131,762
Nov-23	\$ 2.974	\$ 3.164	\$ 0.190		3,111,877	1,431,154	1,680,723	\$319,337
Dec-23	\$ 3.470	\$ 2.706	\$ (0.764)		5,103,815	2,822,398	2,281,417	(\$1,743,003)
Jan-24	\$ 3.719	\$ 2.619	\$ (1.100)		6,622,333	3,747,158	2,875,175	(\$3,162,693)
Feb-24	\$ 3.635	\$ 2.490	\$ (1.145)		5,713,692	3,843,513	1,870,179	(\$2,141,355)
Mar-24	\$ 3.323	\$ 1.615	\$ (1.708)		4,309,300	2,130,608	2,178,692	(\$3,721,207)
Apr-24	\$ 3.004	\$ 1.575	\$ (1.429)		2,170,761	1,270,000	900,761	(\$1,287,188)
May-24	\$ 2.998	\$ 1.614	\$ (1.384)		1,131,530	455,000	676,530	(\$936,318)
Jun-24	\$ 2.187	\$ 2.493	\$ 0.306		652,138	460,000	192,138	\$58,794
Jul-24	\$ 2.474	\$ 2.628	\$ 0.154		691,461	465,000	226,461	\$34,875
Aug-24	\$ 2.575	\$ 1.907	\$ (0.668)		627,024	470,000	157,024	(\$104,892)
Sep-24	\$ 2.022	\$ 1.930	\$ (0.092)		577,691	475,000	102,691	(\$9,448)
<b>Avg Total \$</b>	<b>\$ 2.908</b>	<b>\$ 2.292</b>	<b>\$ (0.616)</b>	<b>-21.2%</b>	<b>32,071,633</b>	<b>18,389,831</b>	<b>13,681,802</b>	<b>(\$12,561,334)</b>
Oct-24	\$ 2.180	\$ 2.585	\$ 0.405		1,244,144	1,280,000	(35,856)	(\$14,522)
Nov-24	\$ 2.577	\$ 2.346	\$ (0.231)		3,072,688	1,465,977	1,606,711	(\$371,150)
Dec-24	\$ 3.120	\$ 3.431	\$ 0.311		4,894,769	2,859,785	2,034,984	\$632,880
Jan-25	\$ 3.409	\$ 3.514	\$ 0.105		6,306,126	3,789,108	2,517,018	\$264,287
Feb-25	\$ 3.265	\$ 3.354	\$ 0.089		5,432,443	3,650,948	1,781,495	\$158,553
Mar-25	\$ 2.960	\$ 2.949	\$ (0.011)		4,104,624	2,094,014	2,010,610	(\$22,117)
Apr-25	\$ 2.833	\$ 2.949	\$ 0.116		2,016,203	1,810,000	206,203	\$23,920
May-25	\$ 2.880	\$ 3.055	\$ 0.175		967,342	515,000	452,342	\$79,160
Jun-25	\$ 3.038	\$ 3.250	\$ 0.212		623,146	520,000	103,146	\$21,867
Jul-25	\$ 3.210	\$ 3.439	\$ 0.229		699,579	525,000	174,579	\$39,979
Aug-25	\$ 3.247	\$ 3.477	\$ 0.230		633,072	500,000	133,072	\$30,607
Sep-25	\$ 3.219	\$ 3.453	\$ 0.234		585,104	475,000	110,104	\$25,764
<b>Avg Total \$</b>	<b>\$ 2.995</b>	<b>\$ 3.150</b>	<b>\$ 0.155</b>	<b>5.2%</b>	<b>30,579,240</b>	<b>19,484,832</b>	<b>11,094,408</b>	<b>\$869,227</b>

**Footnotes:**

*a* : Nymex prices shown for October 2023 - May 2024 are from the Company's annual BGSS periodic rate filing - June 1, 2023 Docket No. GR23060334 (Nymex as of 5/10/23). NYMEX prices shown for June 2024 - August 2024 are from annual BGSS periodic filing - May 31, 2024 Docket No. GR24060370 (NYMEX as of 5/08/24). NYMEX prices shown for September 2024 - September 2025 are from the prices underlying the rates approved by the Board's Order in Docket No. GR24060370 (NYMEX as of 8/23/24)

*b*: Nymex price as of date of the report

*c*: Increase/Decrease in the Nymex price compared to price reflective in forecast used for rate setting (see footnote a)

*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

**S-SCHART-2**  
**South Jersey Gas Company**  
**Calculation of Net Cost of Gas Per Therm**

	Actual Oct-24	Actual Nov-24	Actual Dec-24	Projected Jan-25	Projected Feb-25	Projected Mar-25	Projected Apr-25	Projected May-25	Projected Jun-25	Projected Jul-25	Projected Aug-25	Projected Sep-25	Weighted Average
1 Projected NYMEX October '24 – September '25 reflects the 8/23/24 NYMEX per DT price utilized in the approved provisional rates.	\$2.180	\$2.577	\$3.120	\$3.409	\$3.265	\$2.960	\$2.833	\$2.880	\$3.038	\$3.210	\$3.247	\$3.219	
2 NYMEX - Actual Settlement price per DT	\$2.585	\$2.346	\$3.431										
3 <b><u>Breakdown of Gross Cost of Gas Per Therm:</u></b>													
4 Flowing Gas Cost	\$0.3248	\$0.3733	\$0.3443	\$0.2442	\$0.1935	\$0.1737	\$0.1633	\$0.2368	\$0.2869	\$0.4614	\$0.5680	\$0.4057	\$0.2487
5 Gas Withdrawn From Storage Cost	0.0218	0.0700	0.0714	0.0624	0.0688	0.0465	0.0228	0.0046	0.0060	0.0080	0.0119	0.0041	0.0498
6 Hedged Volumes Delivered Cost	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
7 Pipeline Demand Cost	1.1362	0.6002	0.2386	0.1404	0.1366	0.1693	0.2515	0.5852	1.0243	1.2008	1.5284	1.2896	0.3305
8 Storage Demand Cost	0.0062	0.0021	0.0018	0.0014	0.0015	0.0012	0.0017	0.0030	0.0053	0.0060	0.0079	0.0066	0.0021
9 Peaking Cost	0.0042	0.0036	0.0047	0.0086	0.0032	0.0026	0.0014	0.0035	0.0063	0.0072	0.0094	0.0076	0.0046
10 Weighted Average Fuel Cost	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
11 Variable Pipeline Cost	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
12 Other Costs	0.0041	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0001
13 <b>Total Gross Cost of Gas Per Therm</b>	\$1.4973	\$1.0492	\$0.6608	\$0.4570	\$0.4036	\$0.3933	\$0.4407	\$0.8331	\$1.3288	\$1.6834	\$2.1256	\$1.7136	\$0.6358
14													
15													
16													
NYMEX price per DT: October '23 - April '24 reflects the 5/10/23 NYMEX used in the Company's June 1, 2023 filing. May '24 - July '24 reflects the 5/8/24 NYMEX utilized in the June 1, 2024 filing. August '24 - September '24 reflects the 8/23/24 NYMEX utilized in	\$2.520	\$2.974	\$3.470	\$3.719	\$3.635	\$3.323	\$3.004	\$1.614	\$2.187	\$2.474	\$1.907	\$2.022	
17 the approved provisional rates.													
18 NYMEX - Actual Settlement price per DT	\$2.764	\$3.164	\$2.706	\$2.619	\$2.490	\$1.615	\$1.575	\$1.614	\$2.493	\$2.628	\$1.907	\$1.930	
19 <b><u>Breakdown of Gross Cost of Gas Per Therm:</u></b>													
20 Flowing Gas Cost	\$0.3300	\$0.3619	\$0.2400	\$0.3322	\$0.1752	\$0.1018	\$0.2110	\$0.2569	\$0.2651	\$0.3228	\$0.3735	\$0.3419	\$0.2433
21 Gas Withdrawn From Storage Cost	0.0045	0.0634	0.0549	0.0969	0.0768	0.1087	0.0086	0.0032	0.0015	0.0046	0.0031	0.0137	0.0599
22 Hedged Volumes Delivered Cost	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
23 Pipeline Demand Cost	0.7434	0.3900	0.1873	0.1520	0.1485	0.1936	0.2432	0.4952	0.8886	1.0819	1.2128	1.1229	0.3195
24 Storage Demand Cost	0.0042	0.0017	0.0014	0.0019	0.0016	0.0015	0.0020	0.0040	0.0065	0.0051	0.0074	0.0060	0.0024
25 Peaking Cost	0.0038	0.0037	0.0028	0.0064	0.0011	0.0017	0.0011	0.0030	0.0061	0.0079	0.0076	0.0073	0.0034
26 Weighted Average Fuel Cost	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
27 Variable Pipeline Cost	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
28 Other Costs	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0300	0.0000	0.0000	0.0265	0.0015
29 <b>Total Gross Cost of Gas Per Therm</b>	\$1.0859	\$0.8207	\$0.4864	\$0.5894	\$0.4032	\$0.4073	\$0.4659	\$0.7623	\$1.1978	\$1.4223	\$1.6044	\$1.5183	\$0.6300

**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

**S-SCHART-2**  
**South Jersey Gas Company**  
**Calculation of Net Cost of Gas Per Therm**

	Actual Oct-24	Actual Nov-24	Actual Dec-24	Projected Jan-25	Projected Feb-25	Projected Mar-25	Projected Apr-25	Projected May-25	Projected Jun-25	Projected Jul-25	Projected Aug-25	Projected Sep-25	Weighted Average
<b><u>Credits, Refunds, &amp; Recoveries Per Therm:</u></b>													
1 Asset Management Credits													
2 Off-system sales	(\$0.2057)	(\$0.1089)	(\$0.0449)	(\$0.0363)	(\$0.0355)	(\$0.0442)	(\$0.0280)	(\$0.0638)	(\$0.1140)	(\$0.1297)	(\$0.1677)	(\$0.1435)	(\$0.0552)
3 Capacity release	(0.0774)	(0.1053)	(0.0432)	(0.0195)	(0.0181)	(0.0238)	(0.0182)	(0.0426)	(0.0739)	(0.0866)	(0.1120)	(0.0931)	(0.0353)
4 On System Credits to BGSS-P Customers	(0.0098)	(0.0044)	(0.0022)	(0.0012)	(0.0009)	(0.0016)	(0.0020)	(0.0047)	(0.0064)	(0.0057)	(0.0117)	(0.0080)	(0.0025)
5 Supplier Refunds	(0.0011)	0.0000	(0.0003)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	(0.0001)
6 Gas for Company Use	(0.0017)	(0.0006)	(0.0003)	(0.0003)	(0.0003)	(0.0004)	(0.0004)	(0.0006)	(0.0011)	(0.0011)	(0.0009)	(0.0012)	(0.0005)
7 Line Loss	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
8 Transfer to Non BGSS-P Customers	(0.1822)	(0.1566)	(0.1304)	(0.1527)	(0.1453)	(0.1495)	(0.1539)	(0.1797)	(0.2261)	(0.3148)	(0.3422)	(0.2907)	(0.1621)
9 Other	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
10 <b>Total Credits, Refunds, &amp; Recoveries Per Therm</b>	<b>(0.4779)</b>	<b>(0.3758)</b>	<b>(0.2213)</b>	<b>(0.2100)</b>	<b>(0.2001)</b>	<b>(0.2195)</b>	<b>(0.2025)</b>	<b>(0.2914)</b>	<b>(0.4215)</b>	<b>(0.5379)</b>	<b>(0.6345)</b>	<b>(0.5365)</b>	<b>(0.2557)</b>
11 <b>Total Net Cost Per Therm (Pg 1 Ln 13 less Pg 2 Ln 10)</b>	<b>\$1.0194</b>	<b>\$0.6734</b>	<b>\$0.4395</b>	<b>\$0.2470</b>	<b>\$0.2035</b>	<b>\$0.1738</b>	<b>\$0.2382</b>	<b>\$0.5417</b>	<b>\$0.9073</b>	<b>\$1.1455</b>	<b>\$1.4911</b>	<b>\$1.1771</b>	<b>\$0.3801</b>
12													
13													
14	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted
15	<b>Oct-23</b>	<b>Nov-23</b>	<b>Dec-23</b>	<b>Jan-24</b>	<b>Feb-24</b>	<b>Mar-24</b>	<b>Apr-24</b>	<b>May-24</b>	<b>Jun-24</b>	<b>Jul-24</b>	<b>Aug-24</b>	<b>Sep-24</b>	<b>Average</b>
16 <b><u>Credits, Refunds, &amp; Recoveries Per Therm:</u></b>													
17 Asset Management Credits													
18 Off-system sales	(\$0.1619)	(\$0.1359)	(\$0.0758)	(\$0.0662)	(\$0.0452)	(\$0.0651)	(\$0.0338)	(\$0.0912)	(\$0.1655)	(\$0.2189)	(\$0.2332)	(\$0.2362)	(\$0.0843)
19 Capacity release	(0.0822)	(0.1033)	(0.0543)	(0.0368)	(0.0342)	(0.0457)	(0.0275)	(0.0403)	(0.0737)	(0.0972)	(0.0978)	(0.0857)	(0.0505)
20 On System Credits to BGSS-P Customers	(0.0065)	(0.0037)	(0.0023)	(0.0022)	(0.0018)	(0.0019)	(0.0024)	(0.0042)	(0.0061)	(0.0072)	(0.0080)	(0.0086)	(0.0030)
21 Supplier Refunds	(0.0009)	0.0000	(0.0073)	0.0001	0.0056	0.0000	0.0000	0.0000	(0.0001)	(0.0004)	0.0001	0.0000	0.0000
22 Gas for Company Use	0.0006	(0.0006)	(0.0004)	(0.0004)	(0.0003)	(0.0004)	(0.0004)	(0.0008)	(0.0007)	(0.0021)	(0.0021)	(0.0020)	(0.0005)
23 Line Loss	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
24 Transfer to Non BGSS-P Customers	(0.1630)	(0.1565)	(0.1352)	(0.1441)	(0.1435)	(0.1463)	(0.1439)	(0.1554)	(0.1812)	(0.2222)	(0.2102)	(0.1880)	(0.1507)
25 Other	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
26 <b>Total Credits, Refunds, &amp; Recoveries Per Therm</b>	<b>(\$0.4139)</b>	<b>(\$0.4000)</b>	<b>(\$0.2753)</b>	<b>(\$0.2496)</b>	<b>(\$0.2194)</b>	<b>(\$0.2594)</b>	<b>(\$0.2080)</b>	<b>(\$0.2919)</b>	<b>(\$0.4273)</b>	<b>(\$0.5480)</b>	<b>(\$0.5512)</b>	<b>(\$0.5205)</b>	<b>(\$0.2890)</b>
27 <b>Total Net Cost Per Therm (Pg 1 Ln 29 less Pg 2 Ln 26)</b>	<b>\$0.6720</b>	<b>\$0.4207</b>	<b>\$0.2111</b>	<b>\$0.3398</b>	<b>\$0.1838</b>	<b>\$0.1479</b>	<b>\$0.2579</b>	<b>\$0.4704</b>	<b>\$0.7705</b>	<b>\$0.8743</b>	<b>\$1.0532</b>	<b>\$0.9978</b>	<b>\$0.3410</b>