



Stacy A. Mitchell, Esq. Vice President Rates & Regulatory Affairs

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BOARD OF PUBLIC UTILITIES

BOARD OF PUBLIC UTILITIES TRENTON, NJ

TRENTON, NJ

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: All Municipal Clerks in the South Jersey Gas Company Service Area and Freeholder Clerks of Atlantic County, Burlington County, Camden County, Cape May County, Cumberland County, Gloucester County, Ocean County, Salem County and County Executive of Atlantic County

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, 2019** BPU DOCKET NO. GR18060609

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF BASE RATE ADJUSTMENTS PURSUANT TO THE ACCELERATED INFRASTRUCTURE REPLACEMENT PROGRAM (AIRP II) BPU DOCKET NO. GR18040476

IN THE MATTER OF THE 2018/2019 ANNUAL COMPLIANCE FILINGS FOR A CHANGE IN THE STATEWIDE ELECTRIC AND GAS PERMANENT UNIVERSAL SERVICE FUND PROGRAM, FACTORS WITHIN THE ELECTRIC AND GAS SOCIETAL BENEFITS CHARGE RATES BPU DOCKET NOS. EX00020091 and ER18060661

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO CONTINUE ITS ENERGY EFFICIENCY PROGRAMS ("EEP IV") AND ENERGY EFFICIENCY TRACKER PURSUANT TO N.J.S.A. 48:3-98.1 BPU DOCKET NO. GO18030350

Dear Municipal, Freeholder Clerks and Executive of Atlantic County:

Enclosed herewith for service upon you are copies of the Notice of Filing of Petition and of Public Hearing for each of the four (4) above-referenced matters. Kindly take note of the location and date of the hearings.

Please do not hesitate to contact me with any questions you may have. Thank you for your attention.

SAM:lvk Enclosures

cc: Service List (via email) /

Respectful

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IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF BASE RATE ADJUSTMENTS PURSUANT TO THE ACCELERATED INFRASTRUCTURE REPLACEMENT PROGRAM ("AIRP I"I) DOCKET NO. GR18040476

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, 2019

BPU Docket No. GR18060609

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY
TO CONTINUE ITS ENERGY EFFICIENCY PROGRAMS ("EEP IV") AND ENERGY
EFFICIENCY TRACKER PURSUANT TO N.J.S.A. 48:3-98.1
BPU DOCKET NO. GO18030350

IN THE MATTER OF THE 2018/2019 ANNUAL COMPLIANCE FILINGS FOR A CHANGE IN THE STATEWIDE ELECTRIC AND GAS PERMANENT UNIVERSAL SERVICE FUND PROGRAM, FACTORS WITHIN THE ELECTRIC AND GAS SOCIETAL BENEFITS CHARGE RATES

BPU DOCKET NOS. EX00020091 and ER18060661

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NOTICE OF FILING OF PETITION AND OF PUBLIC HEARING 0 1 2018

BOARD OF PUBLIC UTILITIES

TRENTON, NJ
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, 2019

B.P.U. Docket No. GR18060609

NOTICE IS HEREBY GIVEN that, on June 1, 2018, South Jersey Gas Company "South Jersey" or the "Company") filed its combined 2018-2019 Basic Gas Supply Service ("BGSS") and Conservation Incentive Program ("CIP") petition with the New Jersey Board of Public Utilities ("Board"). The BGSS component of the petition was filed pursuant to the "Order Approving BGSS Price Structure" issued by the Board on January 6, 2003, in Docket No. GX01050304 ("Generic BGSS Order"). BGSS rates are designed to recover South Jersey's cost of gas applicable to customers who purchase gas from South Jersey. The Company earns no profit from the BGSS. The CIP component of the petition sought a price adjustment for all applicable service customers. The CIP is an incentive-based program that requires South Jersey to reduce gas supply related costs and limits recovery of non-weather related revenue loss to the level of gas supply costs savings achieved. Pursuant to its filing, South Jersey requested that the Board allow it to change its BGSS and CIP Charges.

The impact of the Company's combined proposals on the overall bills for gas service for a residential heating customer using 100 therms in a month would be an increase of \$13.58, or 10.2 percent, resulting from South Jersey's proposed: 1) BGSS increase of \$22.47 per month, or 16.9 percent; 2) Rider "J" Balancing Service Clause - General Service ("BSC-GS") decrease of \$1.65, or 1.2%; and 3) CIP decrease of \$7.25, or 5.5 percent.

Related to the Company's Rider "I" Balancing Service Clause - Large Volume ("BSC-LV"), the Company proposes to increase its current Opt-Out after-tax per therm BSC-LV rate of \$0.002700 to \$0.003074, and to increase its current Non Opt-Out after-tax per therm BSC-LV rate of \$0.012600 to \$0.033851, which is equal to the Company's proposed Rider "J" BSC-GS rate. Customers who are served under the Company's Rider "I" are subject to monthly market pricing for their natural gas supply and not the Company's Periodic BGSS rates.

The chart below demonstrates the impact of the Periodic BGSS rate and the CIP rate changes:

		F	Change		
Customer Type	Therm Level	Bill as of June 1, 2018	Proposed Bill as of October 1, 2018	Amount	Percent
Residential Heat Sales	100	\$133.00	\$146.58	\$13.58	10.2%
Residential Non-Heat Sales	15	\$27.62	\$29.15	\$1.53	5.5%
General Service	500	\$581.11	\$656.77	\$75.66	13.0%
General Service - LV	15,646	\$14,622.67	\$14,762.19	\$139.52	1.0%

TAKE FURTHER NOTICE that other changes in South Jersey's price for BGSS service may also occur if SJG elects to adjust its BGSS rates upward upon thirty days' notice to Board Staff and Rate Counsel, pursuant to the Generic BGSS Order in Docket No. GX01050304. Any such self-implementing increases will be limited to a maximum of 5 percent of the total residential bill, effective December 1, 2018, and to a

maximum of five (5) percent of the total residential bill, effective February 1, 2019, as demonstrated in the chart below.

		Rates		Change	
Customer Type	Therm Level	Bill as of October 1, 2018	Proposed Bill Including December and February 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$146.58	\$161.61	\$15.03	10.3%
Residential Non-Heat Sales	15	\$29.15	\$31.40	\$2.25	7.7%
General Service	500	\$656.77	\$731.93	\$75.16	11.4%
General Service - LV	15,646	\$14,762.19	\$14,762.19	\$0	0%

Further, these self-implementing increases will be provisional and subject to true-up in connection with the subsequent annual BGSS filing. Pursuant to the BGSS Order, South Jersey is permitted to decrease its BGSS rate at any time upon five days' notice and supporting documentation to the Board's and the Division of Rate Counsel.

The Board has the statutory authority to establish the BGSS and CIP Charges at levels it finds just and reasonable. Therefore, the Board may establish the BGSS and CIP Charges at levels other than those proposed by South Jersey's natural gas costs addressed in this petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

Copies of the Company's filing are available for inspection at the Company's offices located at One South Jersey Plaza, Folsom, New Jersey 08037, or at the Board of Public Utilities, 44 South Clinton Avenue, 7th floor, Trenton, New Jersey 08625-0350. The Company's filing may also be found on the South Jersey Gas Website at www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx.

NOTICE is further given that public hearings have been scheduled at the following date, times, and place on the Company's above-mentioned requests:

August 20, 2018 at 4:30 p.m. and 5:30 p.m.
Voorhees Township, Municipal Court
Voorhees Town Center
Voorhees, New Jersey 08043
(located directly across from Township Library at 203 Laurel Road)

The public is invited to attend and interested persons will be permitted to testify and/or make a statement of their views on the proposed increases/decreases. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, forty-eight (48) hours prior to these hearings. In addition, members of the public may submit written comments concerning the petition to the Board regardless of whether they attend a hearing by addressing them to Aida Camacho, Secretary, Board of Public Utilities, 44 S. Clinton Avenue, 3rd Floor Suite 314, P.O. Box 350, Trenton, NJ 08625-0350.

SOUTH JERSEY GAS COMPANY

By: David Robbins, Jr., President

NOTICE OF FILING OF PETITION AND OF PUBLIC HEARING

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF BASE RATE ADJUSTMENTS PURSUANT TO THE ACCELERATED INFRASTRUCTURE REPLACEMENT PROGRAM (AIRP II) DOCKET NO. GR18040476

NOTICE IS HEREBY GIVEN that, on April 30, 2018, South Jersey Gas Company ("South Jersey" or "Company") filed a N.J.S.A. 48:2-21 petition (Petition) with the New Jersey Board of Public Utilities ("Board") seeking Board approval to increase base rates associated with the Company's Accelerated Infrastructure Replacement Program ("AIRP II"). The Board approved the AIRP II and the associated cost recovery mechanism on October 31, 2016 in Docket No. GR16020175 ("Order"). The Order authorized the Company to invest \$302.5 million, over a five-year period commencing October 1, 2016 and ending September 30, 2021, to replace cast iron and unprotected bare steel mains and associated services. The Order also authorized the Company to make annual filings with the Board to recover the costs associated with AIRP II project investments and to earn a return on and a return of those investments through annual adjustments to base rates. This Petition seeks Board approval to recover the revenue requirements associated with AIRP II projects placed in-service from July 1, 2017 through June 30, 2018 which totaled \$60.7 million with an October 1, 2018 rate effective date. The purpose of the AIRP II program is to continue to eliminate aging and leak prone materials and enhance the reliability and safety of the Company's gas distribution system.

If the proposed increase is approved by the Board, the bill impacts on typical Residential and General Service customers using less than 5,000 therms per year is estimated to be as follows:

Residential Service (RSG)

Monthly Therm Level	Monthly Bill as of April 30, 2018 ⁽¹⁾	Monthly Bill as of October 1, 2018 ⁽²⁾	Dollar Increase	Percent Increase
25	\$41.24	\$41.70	\$0.46	1.1%
100	\$133.00	\$134.83	\$1.83	1.4%
200	\$255.34	\$258.99	\$3.65	1.4%

General Service (GSG) (Using less than 5,000 therms per year)

Monthly Therm Level	Monthly Bill as of April 30, 2018 ⁽¹⁾	Monthly Bill as of October 1, 2018 ⁽²⁾	Dollar Increase	Percent Increase
500	\$581.11	\$588.36	\$7.25	1.2%
1,000	\$1,128.36	\$1,142.88	\$14.52	1.3%
2,000	\$2,222.87	\$2,251.90	\$29.03	1.3%

- (1) Based upon current Delivery Rates and Basic Gas Supply Service ("BGSS") charges in effect October 1, 2017 and assumes that the customer receives BGSS service from South Jersey.
- (2) Same as (1) except includes base rate changes associated with AIRP II.

The following Rate Schedules will also be affected by the Company's proposed base rate increase: General Service – Large Volume (GSG-LV), Comprehensive Firm Transportation Service (CTS), Large Volume Service (LVS), Electric Generation Service (EGS), Electric Generation Service – Large Volume

(EGS-LV), Natural Gas Vehicle Service (NGV), Yard Lights Service (YLS) and Street Lights Service (SLS).

The effect of the proposed increase would be an increase of \$1.83 or 1.4% for a residential customer using one-hundred (100) therms of gas during the winter months.

Pursuant to <u>N.J.S.A.</u> 48:3-1, any relief determined by the Board to be just and reasonable may be allocated to customers in such manner, and in such amounts or percentages, as the Board may deem appropriate. The Board may authorize an increase on any customer class or group or may exclude from increase any customer class or group, varying the percentage increase applicable. Therefore, the Board may approve an AIRP II base rate adjustment that is different than the rate proposed by South Jersey.

Copies of the Company's filing are available for inspection at the Company's offices located at One South Jersey Plaza, Folsom, New Jersey 08037, or at the Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, Trenton, New Jersey 08625-0350. The Company's filing may also be found on the South Jersey website at https://www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx.

NOTICE is further given that public hearings are scheduled at the following date, times, and place on the Company's petition:

August 20, 2018 at 4:30 p.m. and 5:30 p.m.
Voorhees Township, Municipal Court
Voorhees Town Center
Voorhees, New Jersey 08043
(located directly across from Township Library at 203 Laurel Road)

The public is invited to attend and make a statement of their views on the proposed rate increases. Such comments will be made a part of the final record. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, forty-eight (48) hours prior to this hearing. Written requests and public comments may be submitted to the Board to: Aida Camacho, Secretary, Board of Public Utilities, 44 S. Clinton Avenue, 3rd Floor Suite 314, P.O. Box 350, Trenton, NJ 08625-0350.

SOUTH JERSEY GAS COMPANY
By: David Robbins, Jr.
President

NOTICE OF FILING OF PETITION PROPOSING TO CHANGE EXISTING RATE LEVELS AND OF PUBLIC HEARING

IN THE MATTER OF THE 2018/2019 ANNUAL COMPLIANCE FILINGS FOR A CHANGE IN THE STATEWIDE ELECTRIC AND GAS PERMANENT UNIVERSAL SERVICE FUND PROGRAM, FACTORS WITHIN THE ELECTRIC AND GAS SOCIETAL BENEFITS CHARGE RATES B.P.U. DOCKET NO. EX00020091 and ER18060661

NOTICE IS HERE BY GIVEN that pursuant to the New Jersey Board of Public Utilities' ("Board") Orders dated April 30, 2003, July 16, 2003, and June 22, 2005, South Jersey Gas Company ("South Jersey" or the "Company") and the State's other electric and gas public utilities' Societal Benefits Charges include recovery of funding for the Universal Service Fund (USF) and Lifeline programs through uniform statewide rates. The USF program was established by the Board, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq., to provide funds to assist qualifying low-income individuals in paying their energy bills.

In its September 22, 2017 order, the Board approved, on an interim basis, effective October 1, 2017, USF and Lifeline rates of \$0.0038/therm and \$0.0049/therm respectively, for the 2017/2018 program year. As administrator, the State of New Jersey's Department of Consumer Affairs authorizes the disbursement of USF benefits to eligible customers. Based upon the results known to date for the 2017/2018 USF program year and the available estimates for the 2018/2019 USF program year, it is proposed that the state-wide gas USF rate be set to recover \$26.7 million and the state-wide gas Lifeline rates should be set to recover \$23.9 million.

In accordance with the Board's June 22, 2005 Order, the Company made a filing with the Board on June 22, 2018, requesting an increase to its USF program charge and an increase in its Lifeline program charge, as described below, to become effective on October 1, 2018.

The current USF program charge for customers is \$0.0038 per therm (including taxes). The proposed USF program charge will increase to \$0.0049 per therm (including taxes). This request will not result in any profit to the Company. The revenues received under the proposed USF charge are designed to permit the Company to recover only its costs for the USF program. Actual program costs will be reconciled with the revenues received through the USF program charge in the next scheduled filing to be made no later than July 1, 2019.

The current Lifeline program charge for customers is \$0.0049 per therm (including taxes). The proposed Lifeline program charge, which incorporates funds for the Work First NJ program, proposed to increase to \$0.0054 per therm (including taxes). This request will not result in any profit to the Company. All Lifeline and USF revenues received under these charges are submitted to the State of New Jersey.

If approved by the Board, the impact of the proposed changes in the USF and Lifeline Charges on typical Residential and General Service customers using less than 5,000 therms per year is estimated to be as follows:

Residential Service (RSG)

Therm Level	Bill as of June 22, 2018	Bill as of October 1, 2018	Dollar Increase	Percent Increase
25	\$41.24	\$41.28	\$0.04	0.10%
100	\$133.00	\$133.16	\$0.16	0.12%
200	\$255.34	\$255.66	\$0.32	0.13%

General Service (GSG) (Using less than 5,000 therms per year)

Therm Level Bill as of June 22, 2018		Bill as of October 1, 2018	Dollar Increase	Percent Increase	
500	\$581.11	\$581.91	\$0.80	0.14%	
1,000	\$1,128.36	\$1,129.96	\$1.60	0.14%	
2,000	\$2,222.87	\$2,226.07	\$3.20	0.14%	

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by South Jersey Gas.

Copies of the Company's filing are available for inspection at the Company offices located at One South Jersey Plaza, Folsom, New Jersey 08037, or at the Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, Trenton, New Jersey 08625-0350. The Company's filing may also be found on the South Jersey Gas Website at www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx

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August 20, 2018 at 4:30 P.M and 5:30 P.M.
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Voorhees, NJ 08043
(located directly across from Township Library at 203 Laurel Road)

The public is invited to attend and interested persons will be permitted to testify and/or make a statement of their views on the proposed increases. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to this hearing. In addition, members of the public may submit written comments concerning the petition to the BPU regardless of whether they attend the hearing by addressing them to: Honorable Aida Camacho, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor Suite 314, P.O. Box 350, Trenton, New Jersey 08625-0350.

SOUTH JERSEY GAS COMPANY

By: David Robbins, Jr. President

NOTICE OF FILING OF PETITION AND OF PUBLIC HEARING

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL TO CONTINUE ITS ENERGY EFFICIENCY PROGRAMS ("EEP IV") AND ENERGY EFFICIENCY TRACKER PURSUANT TO N.J.S.A. 48:3-98.1 B.P.U. DOCKET NO. GO18030350

NOTICE IS HEREBY GIVEN that on March 27, 2018, pursuant to N.J.S.A. 48:3-98.1, South Jersey Gas Company ("South Jersey") filed a Petition with the Board of Public Utilities ("Board") seeking authorization to continue offering Energy Efficiency Programs and to continue its Energy Efficiency Tracker ("EET"). South Jersey requested that the Board permit South Jersey to continue offering its existing programs, with modifications, and to implement new programs for a five-year period commencing at the date of Board approval. The proposed programs include: (1) the NJCEP Residential Loans/Rebates Program which includes loans and rebates for residents to make home energy efficiency improvements to their systems; (2) the NJCEP Commercial Loans Program which includes loans for commercial customers to install energy-saving measures; (3) the Residential Behavior Program to assist residential customers in understanding their energy use and produce savings through behavioral changes; (4) the Residential Efficient Products Program which encourages customers to invest in energy-saving products and weatherization items; (5) the Residential Home Assessment with Direct Install Program which provides residents with an in-home assessment for a fee and an introduction to low-cost energy measures such as smart thermostats; (6) the Residential Retrofit Weatherization Program which provides free weatherization services and energy education for qualifying moderate-income customers; (7) the C&I Engineered Solutions Program which provides tailored energy efficiency assistance to public service entities; (8) the Education Program to provide energy education for students in public schools; and (9) the Emerging Technologies & Approaches Program which is designed to evaluate, demonstrate, and deploy new and emerging energy-efficiency technologies. South Jersey has also requested that the Board permit South Jersey to recover all costs associated with its Energy Efficiency Programs, and that it be permitted to earn a return on and a return of investments associated with these programs, through its EET. These programs will provide participating customers with increased incentives to conserve energy and aid in reducing their natural gas consumption.

South Jersey proposes to recover the costs, together with an authorized return, associated with the proposed Energy Efficiency Programs through a cost recovery mechanism which will operate in a manner consistent with existing Board-approved mechanisms. South Jersey proposes a total program investment of approximately \$166.7 million over a five-year period and an administrative cost allowance of approximately \$28.7 million. The proposed EET Charge associated with the proposed Energy Efficiency Programs would be applied to all customer classes. If approved by the Board, the impact of the proposed programs on the EET Charge for a typical Residential Heating customer and those General Service customers using less than 5,000 therms per year would be:

RATE IMPACT(1)

Typical Annual Bill Impacts	Year 1	Year 2	Year 3	Year 4	Year 5
Residential Heat (727 annual therms)	0.8%	1.2%	1.6%	2.1%	2.5%
Cumulative % Increase from Current Bill Cumulative \$ Increase from Current Bill	\$8.33	\$13.23	\$17.47	\$22.12	\$27.09
Cumulativo o molecuso nom Carrent Bill	40.55	415.25	• • • • • • • • • • • • • • • • • • • •	4	4
General Service Small (3,595 annual therms)					
Cumulative % Increase from Current Bill	0.9%	1.4%	1.9%	2.4%	2.9%
Cumulative \$ Increase from Current Bill	\$41.19	\$65.44	\$86.39	\$109.44	\$134.01

 Based upon current Delivery Rates and Basic Gas Supply Service (BGSS) charges in effect October 1, 2017 and assumes that the customer receives BGSS service from South Jersey Gas.

Pursuant to statute, the Board has the authority to approve South Jersey's Petition in a manner that it finds just and reasonable. Therefore, the Board may authorize Energy Efficiency Programs different than those proposed by South Jersey and may authorize an EET Charge different from that proposed by South Jersey.

Copies of the Company's filing are available for inspection at the Company offices located at One South Jersey Plaza, Folsom, New Jersey 08037, or at the Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, Trenton, New Jersey 08625. The Company's filing is also located on the Company website at https://www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx.

NOTICE is further given that public hearings have been scheduled at the following date, times, and place on the Company's above-mentioned requests.

August 20, 2018 at 4:30 and 5:30 PM
Voorhees Township, Municipal Court
2400 Voorhees Town Center
Voorhees, New Jersey 08043
(located directly across from Township Library at 203 Laurel Road)

The public is invited to attend and make a statement of their views on the proposed increases. Such comments will be made a part of the final record. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, forty-eight (48) hours prior to these hearings. Written requests and public comments may be submitted to the Board addressed to: Aida Camacho, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor Suite 314, P.O. Box 350, Trenton, New Jersey 08625-0350.

SOUTH JERSEY GAS COMPANY
By: David Robbins, Jr.
President