COZEN O'CONNOR
A Pennsylvania Professional Corporation

December 21, 2017

VIA HAND DELIVERY

Ira G. Megdal
Direct Phone 856-910-5007
Direct Fax 877-259-7984
imegdal@cozen.com

Irene Kim Asbury, Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave.
3rd Floor, Suite 314
PO Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Acquisition of Elizabethtown Gas, a Division of Pivotal Utility Holdings, Inc. by ETG Acquisition Corp., a Subsidiary of South Jersey Industries, Inc. and Related Transactions
BPU Docket No._____

Dear Secretary Asbury:

On behalf of South Jersey Industries, Inc. ("SJI"), ETG Acquisition Corp., South Jersey Resources Group, LLC ("SJRG")[1] and Pivotal Utility Holdings, Inc. ("Pivotal") ("Joint Petitioners"), enclosed for filing please find an original and ten copies of a Verified Joint Petition ("Joint Petition") and accompanying testimony and exhibits that initiate the above-captioned proceeding. Also enclosed is an electronic copy of the filing on disk, as well as an extra hard copy. Kindly stamp that extra hard copy "filed" and return it to our messenger.

In this matter, the Joint Petitioners are seeking approval from the New Jersey Board of Public Utilities ("Board") for the acquisition of control by ETG Acquisition Corp. of Pivotal's New Jersey utility operating division, Elizabethtown Gas ("Elizabethtown"), including the sale of substantially all of Elizabethtown's assets (the "Acquisition"). As reflected in the Joint Petition, the Acquisition will result in the ultimate ownership of Elizabethtown by SJI, thereby returning a storied and historic New Jersey gas utility to New Jersey-based ownership and control. Through its operating utility, South Jersey Gas, SJI has been engaged in the provision of safe and reliable utility service in the State for over 100 years. By the Acquisition, SJI will expand its utility operations in New Jersey through ownership of both Elizabethtown and South Jersey Gas -- two utilities with reputations for exceptional corporate cultures and strong records of safety and reliability, operational excellence and quality customer service.

As reflected in the Joint Petition and the accompanying testimony, the Acquisition will yield several positive benefits to Elizabethtown's customers and the State, and will have no adverse impacts on competition, rates, the provision of safe, adequate and reliable service, nor employees of Elizabethtown. Some of the benefits associated with the Acquisition include the provision of a $5 million credit to Elizabethtown's Basic Gas Supply Service customers,

[1] ETG Acquisition Corp. and SJRG are wholly owned subsidiaries of SJI.

significant job creation in New Jersey, providing an important benefit of job growth in the State, and opportunities for enhanced utility safety and reliability. SJI is also making a number of significant employee and operational commitments. The benefits and various commitments that SJI is making in connection with the Acquisition are discussed in detail in the filing.

The Joint Petitioners also seek various related approvals including the approval of certain affiliate service agreements, a transfer of stock to effectuate a reorganization in connection with the Acquisition, the discontinuance by Pivotal of the provision of utility service, the corresponding adoption of the existing Elizabethtown Tariff by the post-Acquisition Elizabethtown entity, certain accounting authorizations and a request that the Board disclaim jurisdiction over the sale by Pivotal of the assets of Elkton Gas, Pivotal's Maryland utility operating division, or in the alternative, approve the sale. For the reasons set forth in the Joint Petition, these associated requests are in the public interest and should be granted.

Taken together, the benefits and commitments associated with the proposed Acquisition fully demonstrate that the Acquisition is in the public interest and should be expeditiously approved so that the benefits may begin to be realized. To that end, the Joint Petitioners respectfully request that the Board retain this matter and appoint a Commissioner to preside over the disposition of the case so that a pre-hearing conference can be scheduled as soon as practicable and a final decision can be rendered by May of 2018. Given the importance of the Acquisition to Elizabethtown, its customers and the State of New Jersey, the Joint Petitioners believe the Commissioners should have the opportunity to hear first-hand from the Joint Petitioners and to decide this matter promptly.

Copies of the Joint Petition, supporting exhibits and testimony have been served as listed below and on the attached service list. A proposed procedural schedule that contemplates the issuance of a final decision in this matter by May of 2018 and a proposed Non-Disclosure Agreement are among the exhibits attached to the Joint Petition.

The Joint Petitioners look forward to working diligently with the Board, its Staff and the New Jersey Division of Rate Counsel to resolve this matter in a timely and equitable manner.

Please contact the undersigned if you have any questions or require further information.

Respectfully,

COZEN O'CONNOR, PC

By: Ira G. Megdal

IGM:kn
Enclosure

cc: Honorable Richard Mroz, President (by hand delivery)
Honorable Upendra Chivukula, Commissioner (by hand delivery)
Honorable Joseph L. Fiordaliso, Commissioner (by hand delivery)
Honorable Mary-Anna Holden, Commissioner (by hand delivery)
Honorable Dianne Solomon, Commissioner (by hand delivery)
Stefanie A. Brand, Director, Division of Rate Counsel (by hand delivery)
Paul Flanagan, Executive Director, Board Staff (by hand delivery)
Tom Walker, Director, Division of Energy (by hand delivery)
Mark Beyer, Director, Office of the Economist (by hand delivery)
Stacy Peterson, Division of Energy (by hand delivery)
Attached Service List

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC. AND RELATED TRANSACTIONS

BPU DOCKET NO. _____

SERVICE LIST*

Stacy A. Mitchell, Esq.
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
smitchell@sjindustries.com

Steven R. Cocchi, Esq.
South Jersey Industries, Inc.
One South Jersey Plaza
Route 54
Folsom, NJ 08037
scocchi@sjindustries.com

Ira Megdal, Esq.
Cozen O'Connor P.C.
Liberty View Building, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
imegdal@cozen.com

Christine Soares, Esq.
Cozen O'Connor P.C.
Liberty View Building, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
csoares@cozen.com

Mary Patricia Keefe, Esq.
Elizabethtown Gas
520 Green Lane
Union, NJ 07083
pkeefe@southernco.com

Erica McGill, Esq.
Southern Company Gas
Ten Peachtree Place
Atlanta, GA 30309
ermcgill@southernco.com

Brian MacLean
Elizabethtown Gas
520 Green Lane
Union, NJ 07083
bmaclean@southernco.com

Christopher Hale Demko, Esq.
Southern Company
30 Ivan Allen Jr. Blvd
Atlanta, GA 30308
chdemko@southernco.com

Kenneth T. Maloney, Esq.
Cullen and Dykman
1101 14th Street, NW, Suite 750
Washington, DC 20005
kmaloney@cullenanddykman.com

Deborah Franco, Esq.
Cullen and Dykman
Garden City Center
100 Quentin Roosevelt Blvd.
Garden City, NY 11530
DFranco@cullenanddykman.com

Irene Kim Asbury, Secretary
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Irene.Asbury@bpu.nj.gov

Thomas Walker
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Thomas.Walker@bpu.nj.gov

Paul Flanagan
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Paul.Flanagan@bpu.nj.gov

Megan Lupo
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Megan.Lupo@bpu.nj.gov

Cynthia Covie
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Cynthia.Covie@bpu.nj.gov

Mark Beyer
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Mark.Beyer@bpu.nj.gov

Stacy Peterson
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Stacy.Peterson@bpu.nj.gov

Jackie O'Grady
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Jackie.Ogrady@bpu.nj.gov

*For submissions filed with the New Jersey Board of Public Utilities
LEGAL\33794713\1

IN THE MATTER OF THE ACQUISITION OF
ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC.
BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC.
AND RELATED TRANSACTIONS

BPU DOCKET NO. _____

SERVICE LIST*

Alice Bator
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Alice.Bator@bpu.nj.gov

Michael Stonack
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Michael.Stonack@bpu.nj.gov

Jaqueline Galka
Board of Public Utilities
44 South Clinton Ave, 3rd Fl. Ste. 314
P.O. Box 350
Trenton, NJ 08625-0350
Jacqueline.Galka@bpu.nj.gov

Stefanie A. Brand, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
sbrand@rpa.nj.gov

Shelly Massey, Paralegal
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
smassey@rpa.state.nj.us

Brian O. Lipman, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
blipman@rpa.state.nj.us

Sarah Steindel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
ssteindel@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
fthomas@rpa.state.nj.us

Henry M. Ogden, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
hogden@rpa.state.nj.us

Maura Caroselli, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
mcaroselli@rpa.state.nj.us

Kurt Lewandowski
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
klewando@rpa.state.nj.us

Alex Moreau, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
Alex.Moreau@dol.lps.state.nj.us

Veronica Beke, Esq.
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
Veronica.Beke@dol.lps.state.nj.us

Patricia Krogman, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
Patricia.Krogman@dol.lps.state.nj.us

Renee Greenberg, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
Renee.Greenberg@dol.lps.state.nj.us

*For submissions filed with the New Jersey Board of Public Utilities

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC. AND RELATED TRANSACTIONS	:	BPU DOCKET NO.

VERIFIED JOINT PETITION, TESTIMONY AND EXHIBITS

COZEN O'CONNOR
Attorneys for Petitioner
SOUTH JERSEY INDUSTRIES, INC.,
ETG ACQUISITION CORP. AND
SOUTH JERSEY RESOURCES GROUP, LLC
By: Ira G. Megdal
Christine Soares
LibertyView, Suite 300
457 Haddonfield Road
P.O. Box 5459
Cherry Hill, NJ 08002

CULLEN AND DYKMAN LLP
Attorneys for Petitioner
PIVOTAL UTILITY HOLDINGS, INC.
d/b/a ELIZABETHTOWN GAS
By: Kenneth T. Maloney
1101 14th Street, NW, Suite 750
Washington, DC 20005
and
Deborah M. Franco
One Riverfront Plaza
Newark, NJ 07102

PETITION

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC. AND RELATED TRANSACTIONS	:	BPU DOCKET NO. VERIFIED JOINT PETITION

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

South Jersey Industries, Inc. ("SJI"), ETG Acquisition Corp. and South Jersey Resources Group, LLC ("SJRG"),[1] together with Pivotal Utility Holdings, Inc. ("Pivotal") ("Joint Petitioners") respectfully submit this Verified Joint Petition ("Joint Petition") to request approval by the New Jersey Board of Public Utilities ("Board" or "BPU") of the acquisition of control by ETG Acquisition Corp. of Pivotal's New Jersey utility operating division, Elizabethtown Gas ("Elizabethtown"), including the sale of substantially all of Elizabethtown's assets ("Acquisition") pursuant to N.J.S.A. 48:2-51.1, N.J.S.A. 48:3-7, N.J.A.C. 14:1-5.14, and N.J.A.C. 14:1-5.6.

Joint Petitioners also seek approval of:

- Certain affiliate service agreements for the provision of administrative, support, and management services pursuant to N.J.S.A. 48:3-7.1 and N.J.A.C. 14:4-4.5;
- A transfer of South Jersey Gas Company's ("South Jersey Gas") stock from SJI to SJI Utilities, Inc. ("SJI Utilities") pursuant to N.J.S.A. 48:3-10 and N.J.A.C. 14:1-5.10;

[1] ETG Acquisition Corp. and SJRG are wholly owned subsidiaries of SJI.

- The discontinuance by Pivotal of the provision of utility service pursuant to N.J.S.A. 48:2-24, including all obligations under the "Elizabethtown Gas Tariff for Gas Service B.P.U. No. 15" on file with the Board ("Elizabethtown Tariff") and applicable Board orders;
- The adoption of the Elizabethtown Tariff by ETG Acquisition Corp.; and
- Authority for ETG Acquisition Corp. to record certain regulatory assets and liabilities and to continue to employ deferred accounting for the costs recorded as regulatory assets and liabilities.

In addition, Pivotal further requests the Board to disclaim potential jurisdiction over the sale by Pivotal of the assets of Elkton Gas ("Elkton"), Pivotal's Maryland utility operating division, or in the alternative, to approve the sale. In support of this Joint Petition, the Joint Petitioners state as follows:

I. INTRODUCTION

As a result of the Acquisition and related transactions proposed in this Joint Petition, Elizabethtown, a storied and historic New Jersey gas utility, will once again be brought under the umbrella of New Jersey-based ownership and control. Through its operating utility, South Jersey Gas, SJI has been engaged in the provision of safe and reliable utility service in the State for over 100 years. By the proposed Acquisition, SJI will expand its utility operations in New Jersey through ownership of both Elizabethtown and South Jersey Gas -- two utilities with reputations for exceptional corporate cultures and strong records of safety and reliability, operational excellence and quality customer service. Following the proposed Acquisition, SJI will serve more than 675,000 utility customers in New Jersey.

As reflected in this Joint Petition and the accompanying testimony, the proposed Acquisition will yield numerous positive benefits to Elizabethtown's customers and the State, and will have no adverse impacts on competition, rates, the provision of safe, adequate and reliable service, or employees of Elizabethtown. To ensure that this is the case, SJI is making several commitments as set forth in Exhibit A. Some of the benefits associated with the Acquisition include:

- A one-time $5 million rate credit to Elizabethtown's Basic Gas Supply Service ("BGSS") customers will be provided within 90 days of closing (the "Closing").[2] This commitment provides a tangible benefit that would not exist but for the proposed Acquisition;

- For three years following the Closing, SJI (or an affiliate) will maintain a minimum of 330 employees in New Jersey to support Elizabethtown's operations. In addition, SJI will honor collective bargaining agreements in effect at the time of the Closing and will maintain the same local core management that exists today. These commitments safeguard Elizabethtown's highly skilled workforce and help to ensure a smooth and seamless transition for customers;

- SJI will add a significant number of new employees to New Jersey, over and above the 330 employee commitment, to provide services that are currently provided to Elizabethtown by Southern Company Gas ("SCG") in other states including Georgia, Illinois and Virginia. These incremental positions would not exist absent the proposed Acquisition. The meaningful impact that these new positions will have on job growth in the State is an important benefit of the Acquisition;

- The current asset management agreement between Elizabethtown and Sequent Energy Management L.P. ("Sequent") will be assigned to SJRG and extended for an additional five-year period with a guaranteed minimum $26.25 million credit to customers over that period;

- Elizabethtown and South Jersey Gas will have the opportunity to share local employees during times of emergency and otherwise take advantage of each other's resources during critical times, thereby enhancing safety and reliability; and

[2] The Closing will take place following the satisfaction of certain conditions, including the approvals sought in this Joint Petition.

- The commitment to maintain Elizabethtown's current level of community support contributions of $190,000 per year for a period of five (5) years post-Closing.

These benefits, along with the others described more fully in the filing and the commitments set forth in Exhibit A, support a finding that the Acquisition and related transactions are in the public interest and should therefore be approved.

II. THE RELEVANT ENTITIES

A. South Jersey Industries

1. SJI is an energy services holding company based in Folsom, New Jersey that has demonstrated through its regulated utility operations awareness of its unique responsibility to its customers, its employees, and the community. As reflected in the testimony of Michael J. Renna, President and Chief Executive Officer of SJI, a culture driven by safety, customer service, and a commitment to building stronger communities through social investments is woven into the SJI organization. SJI has made substantial investments in improving the safety of its customers and employees, including investments in modernizing and improving the reliability of its natural gas utility distribution system. This work has resulted in significant leak reductions, and there have been few if any service interruptions during severe weather events. With these investments, SJI upholds its obligation to its customers while simultaneously improving the overall safety of the communities it serves. Also, SJI believes in giving back to the communities it serves by providing financial support to local nonprofit, business and civic organizations. Over the last three years, SJI provided over $500,000 per year in charitable, civic and educational contributions.

2. SJI currently delivers energy solutions to its customers through three primary subsidiaries. The first, South Jersey Gas, is a regulated public utility that promotes energy efficiency and delivers safe, reliable, and affordable natural gas to approximately 381,000

customers in all or portions of the seven southernmost counties of New Jersey. South Jersey Gas or its predecessors have been operating in New Jersey since 1910, and South Jersey Gas is the core of SJI's business, employing 526 of SJI's total 753 employees and accounting for approximately 80% of SJI's total capital expenditures in 2017.

3. SJI's non-utility businesses operate within its second operating subsidiary, South Jersey Energy Solutions, LLC ("SJ Energy Solutions"). SJ Energy Solutions promotes energy efficiency, clean technology and renewable energy by providing customized wholesale commodity marketing and fuel management services, acquiring and marketing natural gas and electricity for retail customers, and developing, owning and operating on-site energy production facilities. SJI Midstream, SJI's third subsidiary, invests in interstate pipeline projects.

4. SJI Utilities is a New Jersey corporation that will be formed as part of the Acquisition and that, upon closing of the transactions contemplated in this Joint Petition, will own the natural gas public utilities of SJI. These utilities include South Jersey Gas, ETG Acquisition Corp., and Elkton Acquisition Corp. (described below). South Jersey Gas will be acquired by SJI Utilities through a contribution by SJI of South Jersey Gas stock that is described more fully below.[3]

5. ETG Acquisition Corp. was established for the purpose of acquiring substantially all of the assets of Elizabethtown. Following consummation of the Acquisition, the ETG Acquisition Corp. name will be changed to Elizabethtown Gas Company, a name similar to the one that Pivotal does business as today.

6. Elkton Acquisition Corp. was established for the purpose of acquiring substantially all of the assets of Elkton from Pivotal. Elkton is a Maryland gas utility, and its

[3] The anticipated organizational structure and corresponding exhibit is addressed below.

acquisition is subject to the jurisdiction of the Maryland Public Service Commission ("MDPSC").

7. SJI's third subsidiary, SJRG is one of the longest-operating wholesale marketing companies in the mid-Atlantic and a recognized leader in the energy industry. Since SJRG commenced operations, it has consistently provided to its customers the innovative natural gas solutions they require. SJRG provides services to its customers throughout the country including natural gas commodity services, natural gas storage, wholesale marketing and natural gas transportation.

8. Moreover, SJRG customers include Fortune 500 companies, energy marketers, natural gas utilities, electric utilities, and natural gas producers. SJRG holds natural gas assets under its name and has extensive experience in managing natural gas assets.

B. Elizabethtown

9. Elizabethtown was founded in Elizabeth, New Jersey in 1855 to serve the 300 gaslights that then lined the streets of the City of Elizabeth. For the first century of Elizabethtown's existence, it used coal to manufacture gas. In 1951, Elizabethtown began distributing natural gas, which was delivered to Elizabethtown through a network of interstate pipelines.

10. Elizabethtown is engaged in the distribution and sale of natural gas to approximately 288,000 residential, business, and industrial customers in seven counties in two areas of New Jersey: the Union and Northwest Divisions.

11. The Union Division, which encompasses the eastern portion of Elizabethtown's service territory, consists of 131 square miles and covers portions of Union and Middlesex Counties. The Northwest Division, which encompasses the northwest portion of the Company's

service territory, consists of 1,373 square miles and covers portions of Sussex, Warren, Hunterdon, Mercer and Morris counties. Elizabethtown provides bundled sales service (*i.e.*, service that involves both the transportation of gas to the end user and the sale of the gas itself) and transportation service (*i.e.*, service that principally involves the transport and delivery of gas provided by others) to customers in the Union and Northwest Divisions. In 2016, Elizabethtown delivered approximately 48.9 billion cubic feet (Bcf) of natural gas through its system that includes approximately 3,200 miles of distribution main and 15 miles of transmission pipeline. Approximately 45.5% of Elizabethtown's volume is sold and transported to residential customers and 54.5% is sold and transported to commercial and industrial customers.

12. Elizabethtown's franchise rights arise out of a combination of municipal consents issued by various municipalities and special acts of the New Jersey legislature passed in the 1800s. Joint Petitioners are in the process of securing certain municipal consents that are needed to effectuate the transfer of certain of these franchise rights. Elizabethtown is also in the process of obtaining consents that are required to transfer certain railroad licenses and easements.

13. Elizabethtown is a division of Pivotal, which is an indirect, wholly-owned subsidiary of Southern Company Gas ("SCG"). In addition to Elizabethtown, Pivotal has operating divisions in Maryland (Elkton, as noted above) and Florida.

14. AGL Resources Inc. (now SCG) acquired Elizabethtown in 2004 as part of its acquisition of NUI Corporation. In July 2016, The Southern Company acquired SCG and its indirect subsidiary, Elizabethtown, as part of the merger of AGL Resources Inc. and a subsidiary of The Southern Company.[4]

[4] Following the close of the merger between a subsidiary of The Southern Company and AGL Resources Inc., AGL Resources Inc. was re-named Southern Company Gas.

15. Elizabethtown's day-to-day operations are independently run with oversight from SCG. For example, Elizabethtown makes local operational decisions, including preparing its own capital and operations and maintenance expense budgets. SCG's role in managing Elizabethtown is to offer assistance, whether financial, operational, or otherwise, to ensure that Elizabethtown continues to provide safe, adequate, and proper service at just and reasonable rates.

16. SCG provides administrative, management and other services to Elizabethtown through AGL Services Company ("AGSC"). AGSC provides Elizabethtown with a number of services including accounting, finance, tax, legal, information technology, engineering, purchasing, pipeline capacity and gas supply management, and human resources-related services. The Board authorized Elizabethtown to enter into a service agreement with AGSC when the Board approved AGL Resources Inc.'s acquisition of NUI Corporation.

17. Upstream pipeline capacity management services as well as gas supply are provided to Elizabethtown by another subsidiary of SCG, Sequent Energy Management L.P. (previously defined as "Sequent"), pursuant to a Board-approved Asset Management Agreement ("SEM AMA").[5] Under the SEM AMA, Sequent provides Elizabethtown with firm gas supply at published market prices up to the amount of the pipeline capacity that Sequent manages under the SEM AMA. Sequent also seeks to maximize the value of Elizabethtown's portfolio of upstream pipeline transportation and storage contracts through capacity management transactions and shares the majority of the margins from these transactions with Elizabethtown's customers through credits applied to Elizabethtown's BGSS rate. The SEM AMA expires March 31, 2019.

[5] Services associated with strategic gas supply planning and the acquisition of upstream pipeline capacity are performed by AGSC. In contrast, Sequent sells gas supply to Elizabethtown and manages the use of Elizabethtown's upstream pipeline capacity.

18. Elizabethtown maintains separate headquarters from SCG and operates a local call center, five field service centers and two walk-in payment centers at various locations throughout its service territory in New Jersey. The Green Lane location in Union, New Jersey serves as Elizabethtown's headquarters, the call center and a field service center. Elizabethtown's other field service centers are located in Newton, Stewartsville, Flemington and Elizabeth, with customer walk-in payment centers in Elizabeth and Perth Amboy.

19. Elizabethtown's New Jersey employees support its operations in various areas, including management, compliance, field operations, corporate support, call center and other customer service functions. These employees include a significant number of union workers from Utility Workers of America, New Jersey Local 424. These union employees are engaged in utility operations roles such as meter reading, pipeline operations, maintenance and construction, and transmission operations.

20. Certain functions performed for Elizabethtown currently reside outside New Jersey. These functions include billing, collection, dispatch, human resources, and information technology, among others. The work related to these functions is performed by SCG shared services employees who are located in other states, including Georgia, Illinois, and Virginia, and the costs of providing the services are properly borne by Elizabethtown's customers who benefit from the services. As discussed below, following the Acquisition, these functions will be performed by New Jersey-based employees. The Acquisition will result in the creation of new jobs in New Jersey. The meaningful impact on job growth that will result from the relocation of out-of-state jobs to New Jersey is an important benefit of the Acquisition.

21. Elizabethtown's business model is based on three core values: the provision of safe and reliable service at just and reasonable rates, a strong commitment to excellent customer

service, and robust investment in regulated utility infrastructure. As outlined in the Direct Testimony of Brian MacLean, President of Elizabethtown, Elizabethtown's commitment to these values has produced many positive operational results. As indicated by Mr. Renna in his testimony, SJI shares Elizabethtown's core values.

22. Elizabethtown also plays an active role as a responsible corporate citizen in New Jersey. Since 2004, Elizabethtown has contributed over $3 million to New Jersey community service organizations. Elizabethtown's employees are involved with many different community organizations and serve on numerous non-profit boards.

III. DESCRIPTION OF THE ACQUISITION AND RELATED TRANSACTIONS

23. On October 15, 2017, SJI and Pivotal entered into an Asset Purchase Agreement ("APA") by which SJI, through its assignee ETG Acquisition Corp., agreed to purchase substantially all of the assets of Elizabethtown. In accordance with the APA, the assets to be acquired include Elizabethtown's property, franchises, privileges, and rights, including all municipal consents, permits, licenses, easements and other authorizations and agreements. A true and correct copy of the APA is attached to this Joint Petition as Exhibit B. The APA describes the terms and conditions of the Acquisition, including the purchase price and a description of the property being transferred.

24. In a separate transaction, Elkton Acquisition Corp. will acquire substantially all of the assets of Elkton. SJI Utilities will then own ETG Acquisition Corp., Elkton Acquisition Corp. and South Jersey Gas. It is anticipated that following the Closing, the name of ETG Acquisition Corp. will be changed to "Elizabethtown Gas Company," and the name of Elkton Acquisition Corp. will be changed to "Elkton Gas Company." For ease, because the post-Closing entity will operate under a name that is similar to the name under which Pivotal does business as today, the post-Closing entity named "Elizabethtown Gas Company" will be also

referred to below as "Elizabethtown." Attached to this Joint Petition as Exhibit C is a chart showing the anticipated corporate structure of SJI, post-Closing.

25. As indicated above, South Jersey Gas will be acquired by SJI Utilities through a contribution of stock from SJI. This transaction is necessary to effectuate the corporate reorganization, whereby the stock of South Jersey Gas will be transferred from SJI to SJI Utilities. This reorganization will allow for the corporate existence of a single entity in direct control of SJI's three operating utilities, resulting in a streamlined organization of the entities. As such, Joint Petitioners seek approval under N.J.S.A. 48:3-10 and N.J.A.C. 14:1-5.10 for the contribution transaction from SJI. Ownership of South Jersey Gas' capital stock will change from SJI to SJI Utilities.

26. The APA provides that post-Closing, where requested by SJI, Pivotal or an affiliate (similar to AGSC), will provide Elizabethtown with certain transition services to ensure a seamless transition for Elizabethtown's employees and continued safe and reliable service for Elizabethtown's customers. The transition services arrangement will be set forth in a transition services agreement. In the longer term, SJI and its affiliates will provide administrative and support services under affiliate service agreements that are more fully described below.

27. SJI will provide certain services to Elizabethtown pursuant to a Master Services Agreement ("MSA"). The services to be provided under the MSA could include: administrative; corporate communications; government and community relations; human resources; insurance; information technology; legal; accounting; and auditing. SJI currently provides these services to South Jersey Gas pursuant to an MSA. The proposed MSA between SJI and Elizabethtown is attached as Exhibit D. Approval of this MSA is sought under N.J.S.A. 48:3-7.1 and N.J.A.C. 14:4-4.5.

28. Likewise, it is anticipated that SJI Utilities and Elizabethtown will enter into a Shared Services Agreement ("SSA") pursuant to which SJI Utilities will provide services to Elizabethtown that involve utility operations services, as opposed to the services under the MSA that are more administrative in nature. The full scope of services that will be performed pursuant to the SSA are in the process of being finalized but are expected to include services such as strategic oversight of customer service, rates and regulatory and gas supply management. A similar SSA will be entered into between SJI Utilities and South Jersey Gas. Attached hereto as Exhibit E are both proposed Shared Services Agreements ("SSAs"). Approval of the SSAs between SJI Utilities and Elizabethtown and SJI Utilities and South Jersey Gas is sought under N.J.S.A. 48:3-7.1 and N.J.A.C. 14:4-4.5.[6]

29. Post-Closing, it is intended that upstream pipeline capacity management services as well as gas supply will be provided to Elizabethtown by SJRG. Specifically, SEM and SJRG will enter into an agreement pursuant to which SEM will assign its interest in the SEM AMA to SJRG, such that SJRG will replace SEM as the provider of these services for a term commencing on the first day of the month following Closing through March 31, 2019. The term of the AMA will then be extended for an additional five-year period commencing April 1, 2019 through March 31, 2024. This extension will be reflected in a new agreement between Elizabethtown and SJRG (the "Replacement Agreement") that will contain terms and conditions that are essentially the same as the SEM AMA being assigned to SJRG.

30. At Closing, the newly formed Elizabethtown's consent to the assignment of the SEM AMA to SJRG will be embodied in an agreement among the post-Closing Elizabethtown entity, SJRG and SEM (the "Consent Agreement"). The Consent Agreement and the

[6] An SSA also will be entered into between SJI Utilities and Elkton Gas Company, but it is not subject to the jurisdiction of this Board.

Replacement Agreement will be referred individually where appropriate and collectively as the "SJRG AMA".[7] The customer and operational benefits to be derived from the SJRG AMA are discussed by witnesses David Robbins, Jr., Mr. MacLean and Mr. Nuzzo. Approval of the Consent Agreement and the Replacement Agreement is sought pursuant to N.J.S.A. 48:3-7.1 and N.J.A.C. 14:4-4.5.

IV. THE PROPOSED ACQUISITION AND RELATED TRANSACTIONS MEET THE STANDARDS FOR APPROVAL

31. The Board has jurisdiction over the proposed Acquisition pursuant to N.J.S.A. 48:2-51.1, which requires Board approval for any person to acquire or seek to acquire control of a public utility. Moreover, N.J.S.A. 48:2-51.1 provides that consideration must be given to the impact of the Acquisition on:

> competition, on the rates of ratepayers affected by the acquisition, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates.

32. Pursuant to N.J.A.C. 14:1-5.14, the proponents of a transaction must demonstrate that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1. They must also demonstrate that positive benefits will flow to customers and the State of New Jersey. As demonstrated herein, the proposed Acquisition meets these criteria and should be approved.[8]

---

[7] The SEM AMA that is being assigned to SJRG was approved by the Board in BPU Docket No. GO1304027 and is on file with the Board. Copies of the Consent Agreement and the Replacement Agreement will be provided during the course of this proceeding.

[8] The Acquisition will also have no adverse impact on the rates, services or employees of South Jersey Gas, or competition in SJG's service territory. Ultimate ownership of South Jersey Gas will not change, and it will continue to operate as it does today under its Board-approved tariff, at current rates, and terms and conditions of service.

33. The Joint Petition also seeks approval pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6 for the sale of substantially all of the assets of Elizabethtown. For the reasons described in this Joint Petition, this sale is in the public interest and similarly should be approved.

A. The Proposed Acquisition Presents No Adverse Impact on Competition.

34. In accordance with N.J.S.A. 48:2-51.1, there is no reason to conclude that competition will be adversely affected by the proposed Acquisition.

35. The majority of the assets that will be held by SJI post-Closing are in the form of natural gas utilities that provide gas service in different service territories and are subject to regulation by the Board, the MDPSC and/or the federal government. As noted by Mr. Renna and discussed in greater detail by Mr. Robbins, all utility operating divisions of SJI will continue to operate as they do today and provide service pursuant to existing tariff rates.

36. Moreover, Elizabethtown is and has been a proponent of customer choice. Elizabethtown is financially indifferent as to whether customers purchase gas commodity supply through utility BGSS service or from a third-party supplier. Following the Closing, Elizabethtown will remain financially indifferent as to whether gas is purchased from Elizabethtown or a third-party supplier. SJI does not intend to bring about any changes to the relationships that currently exist between Elizabethtown and third-party suppliers.

B. There Will Be No Adverse Impact on The Rates of Elizabethtown's Customers.

37. The proposed Acquisition will not adversely impact rates. Post-Closing, Elizabethtown will continue to operate under the rates, terms and conditions of service contained in its Board-approved tariff in effect at the time of Closing. As set forth above, this filing requests approval for the post-Closing Elizabethtown entity to adopt the existing Elizabethtown Tariff.

38. In addition, to preserve the BGSS rate benefits that Elizabethtown's customers receive today by virtue of the SEM AMA, as noted above, approval is sought for the assignment of that agreement to SJRG, the effect of which will allow SJRG to provide the services that Elizabethtown receives today from Sequent on essentially identical terms as are contained in the SEM AMA between Elizabethtown and Sequent. The SJRG AMA would take effect upon the first day of the month following Closing and remain in effect through March 31, 2024.

39. Under the SEM AMA in place today, Elizabethtown customers receive a guaranteed annual BGSS rate credit of $4.25 million associated with a fixed payment that is paid by Sequent; customers also share in margins in excess of $4.25 million that are generated by Sequent through capacity management transactions involving Elizabethtown's upstream pipeline transportation and storage contracts. In the period since the commencement of the SEM AMA that began on April 1, 2014, millions of dollars have been credited to Elizabethtown's BGSS rate. This Joint Petition proposes to maintain the BGSS rate benefits that Elizabethtown customers receive today by allowing SJRG to provide gas supply and capacity management services pursuant to the SJRG AMA under essentially the same terms as the SEM AMA through March 31, 2024. This proposal ensures that the benefits of the guaranteed payments that are currently provided under the SEM AMA will continue into the future.

40. In addition, upon execution of the Consent Agreement, which, as noted above, will be entered into between the newly formed Elizabethtown, SEM and SJRG, SJRG will provide a one-time $5 million fixed payment to Elizabethtown that, in turn, will pass through to Elizabethtown BGSS customers in the form of a one-time rate credit within 90 days of Closing. This will be a direct and material rate benefit to customers that would not be available absent the proposed Acquisition.

41. As reflected in the Direct Testimony of Ann T. Anthony, Treasurer, attached hereto, SJI is committed to maintaining Elizabethtown's existing capital structure ratios. It is SJI's intent that post-Closing, Elizabethtown will have the same capital structure ratios utilized to set rates in Elizabethtown's last rate case. The Joint Petitioners will take several steps in furtherance of that goal. First, ETG Acquisition Corp. (which, again, will be renamed Elizabethtown Gas Company post-Closing) will purchase the Elizabethtown assets free of debt. Second, upon Closing, Elizabethtown will issue debt in the form of a revolving credit agreement, and a two-year term loan facility, in amounts equal to the debt outstanding on the Pivotal balance sheet today. Third, at some time during the two-year period of the term loan facility, the term loan will be replaced by more permanent debt in such a manner as to maintain the same debt/equity ratio as was utilized in Elizabethtown's last rate case. As stated by Ms. Anthony, SJI expects to obtain such financing at competitive rates. Thus, there will be no adverse impact on rates by virtue of the financing of this transaction, in accordance with N.J.S.A. 48:2-51.1.

42. In addition, SJI commits that it will not seek ratemaking recognition of any potential premium paid for the assets acquired in these transactions, either in the form of an acquisition adjustment or otherwise. SJI also commits that it will not seek recovery of any costs associated with the goodwill arising from the Acquisition nor of any transaction costs, which are defined in Exhibit A.

43. The Board's Order approving the Stipulation in Elizabethtown's most recent base rate case in BPU Docket No. GR16090826 requires Elizabethtown to file a new base rate case petition by June 2020. SJI will adhere to this requirement.

44. To date, Joint Petitioners have not identified any immediate synergies or efficiencies that will arise from the proposed Acquisition. However, the process of integrating

Elizabethtown with SJI has just begun, and it is possible that synergies or efficiencies will be identified during this process. To the extent savings are realized by Elizabethtown as a result of the Acquisition, those savings, net of the costs to achieve, will be passed on to Elizabethtown's customers through the normal base rate case process.

45. In short, there will be no rate increases directly resulting from this Acquisition and there will be substantial financial benefits to customers in the form of a direct BGSS rate credit and the continuation of guaranteed BGSS credits by virtue of the proposed SJRG AMA. It is guaranteed that these credits will at a minimum equal $26.25 million over five years. The requirements of N.J.S.A. 48:2-51.1 applicable to rates are therefore met.

C. There Will Be No Adverse Impact on Employees as a Result of the Proposed Acquisition.

46. The proposed Acquisition will not adversely affect Elizabethtown's employees. Prior to Closing, SJI will make offers of employment to all then-current Elizabethtown employees on terms and at compensation and benefit levels comparable to the employees' then-existing terms, compensation and benefit levels. Further still, for three years following the close of the Acquisition, SJI (or an affiliate) will maintain a minimum of 330 employees in New Jersey to support Elizabethtown's operations. In addition, in accordance with the requirement contained in N.J.S.A. 48:3-7, SJI will assume all obligations to Elizabethtown's employees and retirees with respect to pension benefits. SJI has also committed to honor the collective bargaining agreements with Elizabethtown's unions in effect at the time of the Closing.

47. New Jersey employment will also benefit by virtue of the Acquisition. SJI, SJI Utilities and Elizabethtown will add a significant number of new employees to New Jersey over and above the 330 employee commitment. Functions such as billing, collections, dispatch, human resources, information technology, and others that are currently provided by employees in

other states and appropriately paid for today by Elizabethtown customers who benefit from these services will, instead, be performed by incremental employees in New Jersey after the Closing. This relocation of services will provide incremental employment opportunities in the State and, therefore, provide an important benefit to New Jersey.

48. Thus, the requirements of N.J.S.A. 48:2-51.1 applicable to the employees of Elizabethtown are satisfied. Employee impacts are discussed further in the direct testimony of Mr. Robbins and Mr. MacLean.

D. The Proposed Acquisition Will Have No Adverse Impact on The Provision of Safe and Adequate Utility Service at Just and Reasonable Rates.

49. The proposed Acquisition will have no adverse impact on customers in terms of customer service or the provision of safe, adequate service at just and reasonable rates, in accordance with N.J.S.A. 48:2-51.1. Elizabethtown currently maintains top approval ratings from J.D. Power and Associates and it is SJI's intent to continue this recognized record of performance. Like Elizabethtown, SJI has a successful record of providing safe and reliable service as demonstrated by the numerous honors conferred upon it, including: Public Utilities Fortnightly's "Top 40 Companies;" Safety Achievement Award by the American Gas Association; Community Champion Award by the United Way of Greater Philadelphia and Southern New Jersey; and the Urban Investment Award by the Southern New Jersey Development Council, to name a few.

50. To this end, SJI is committing that Elizabethtown's field service centers, call center, walk-in payment centers, and Union, New Jersey headquarters will be maintained for a period of at least three years post-Closing. In addition, SJI will maintain Elizabethtown's local core management team following the Closing. While SJI also intends to relocate certain functions of Elizabethtown to New Jersey, as discussed above, Elizabethtown's day-to-day

operations will remain unchanged. SJI is focused on making the transition seamless for customers such that Elizabethtown's customers will continue to receive service in the same manner and pursuant to the same Board-approved Elizabethtown Tariff in place today. SJI is also committed to providing Elizabethtown with the resources necessary to invest in capital and infrastructure projects to help ensure that Elizabethtown can continue to provide safe, adequate and proper utility service.

51. Further still, not only will the proposed Acquisition have no adverse impact on the provision of safe and adequate utility service at just and reasonable rates, there is an opportunity for improvement through the sharing of knowledge and an exchange of ideas, methods and procedures in all areas of South Jersey Gas's business. The Acquisition will provide the opportunity for Elizabethtown and South Jersey Gas to share local employees during critical times, thus creating opportunities for enhanced safety and reliability. In addition, South Jersey Gas will benefit from the ability to share knowledge and procedures with sister utilities.

52. To ensure a smooth transition for customers, Joint Petitioners request that the post-Closing Elizabethtown entity be authorized to assume the existing Elizabethtown Tariff so that it can provide service to customers without any change to the current terms and conditions of service. In addition, approval is sought for Pivotal and its division, Elizabethtown, to discontinue its public utility service pursuant to N.J.S.A. 48:2-24. As part of this approval process, it is requested that the Board relieve Pivotal and its division, Elizabethtown, of any further regulatory responsibility to the Board, including any and all obligations under the Elizabethtown Tariff and all applicable Board orders. Because the date of the Closing is uncertain at this time, it is respectfully requested that both discontinuance of service by Pivotal

and its division Elizabethtown and assumption of the tariff by the post-Closing Elizabethtown entity be effective as of the actual date of Closing. The Joint Petitioners propose to submit a compliance filing within 10 days of the Closing containing tariff changes to be effective simultaneously with the Closing to reflect the name change to "Elizabethtown Gas Company" as discussed above.

53. As reflected in the APA, the Acquisition includes the sale of certain regulatory assets and liabilities that are currently reflected on Elizabethtown's balance sheet. These regulatory assets and liabilities represent deferred costs and/or revenues associated with items such as pension and other post-employment benefit costs, gas costs and environmental costs. Exhibit F contains a list of the regulatory assets and liabilities as of September 30, 2017 that are being assumed at Closing by the post-Closing Elizabethtown entity. Exhibit F describes the regulatory assets and liabilities by type and provides associated dollar values. As needed, Exhibit F will be updated during the course of this proceeding. To the extent required, the Joint Petitioners request that the Board confirm that the post-Closing Elizabethtown entity will be permitted to record the regulatory assets and liabilities listed on Exhibit F, as will be reflected on Elizabethtown's books upon the Closing and for Elizabethtown to continue to employ deferred accounting for the costs and revenues associated with these deferred assets and liabilities. This is discussed further in the Direct Testimony of Mr. Robbins.

E. The Proposed Acquisition Will Have Positive Benefits That Flow to Customers and The State Of New Jersey.

54. Positive benefits will be realized by the customers of Elizabethtown and the State by virtue of the proposed Acquisition. Specifically, the requirements of N.J.A.C. 14:1-5.14 will be met in a number of ways, including:

a. **A Five Million Dollar ($5 million) Customer Rate Credit:** As explained above, upon execution of the Consent Agreement, SJRG will provide a $5 million fixed payment to Elizabethtown that in turn will pass through to Elizabethtown customers in the form of a BGSS rate credit within 90 days of Closing. Minimum annual credits of $4.25 million will also be provided, so that over a five-year period there will be guaranteed minimum credits and fixed payments of $26.25 million. This is a tangible and material rate benefit to customers that would not be available absent the proposed Acquisition.

b. **Increased Local Corporate Presence and Much Needed Job Growth:** While Elizabethtown has thrived under SCG's ownership, restoring control and management of Elizabethtown to New Jersey solidifies Elizabethtown's strong local connections and relationships and will create additional jobs in the State. As indicated above, SJI has committed to adding new full-time employee positions in New Jersey through the relocation of positions associated with certain functions that are currently performed for Elizabethtown by employees that are located in other states. This is an important benefit to New Jersey resulting from the Acquisition.

c. **Continued Financial Strength and Flexibility:** The proposed Acquisition has the benefit of increasing SJI's gas distribution business investments and will enhance the financial strength of the combined SJI holding company to the benefit of customers. The combined entity's financial strength will help ensure that Elizabethtown has continued access to capital at favorable rates. As indicated above, SJI commits to ensuring that Elizabethtown has the financial resources

needed to invest in infrastructure replacement projects and to continue to provide safe, adequate and proper service.

d. **Opportunities for Enhanced Safety and Reliability:** Elizabethtown and South Jersey Gas share a strong commitment to enhancing safety and reliability. Elizabethtown, SJI and their customers will benefit from a sharing of knowledge and an exchange of ideas, methods and procedures in all areas of the business. The Acquisition will also provide an opportunity for Elizabethtown and South Jersey Gas to share local employees during times of emergency and otherwise take advantage of each other's resources during critical times, thus creating an enhanced safety and reliability environment.

e. **Continued Charitable Giving:** SJI believes in being a good corporate citizen by giving back to the communities it serves. SJI has, in the past, provided millions of dollars in financial support to local nonprofit, business and civic organizations and, over the last three years, has provided over $500,000 per year in charitable, civic and educational contributions. SJI has committed that it will maintain Elizabethtown's current level of community support contributions of $190,000 per year for a period of five (5) years following Closing. Community support projects could include charitable, workforce development, and economic development efforts.

f. **Continuation of the Asset Management Arrangement:** The replacement of the SEM AMA with the SJRG AMA by virtue of the assignment described above provides the benefit of ensuring that the benefits received by Elizabethtown BGSS customers will continue into the future. An extension of the asset management

arrangement through the SJRG AMA will provide $26.25 million of guaranteed benefits to Elizabethtown's customers through March 31, 2024.

All of these benefits are described in further detail in the Direct Testimony of Messrs. Renna, Robbins, MacLean and Nuzzo.

V. THE BOARD SHOULD DISCLAIM JURISDICTION OVER THE SALE OF THE ASSETS OF ELKTON, OR IN THE ALTERNATIVE, APPROVE THE SALE

55. As discussed above, on October 15, 2017, SJI and Pivotal entered into a separate agreement under which SJI, or its assignee, agreed to purchase substantially all of the assets of Elkton. Elkton is subject to the jurisdiction of the MDPSC. Under N.J.S.A. 48:3-7, the sale of assets by a public utility requires prior Board approval. As discussed previously, Elkton, like Elizabethtown, is a division of Pivotal. Elizabethtown and Elkton historically have been regulated separately and independently by their respective regulators: the Board and the MDPSC.

56. Joint Petitioners submit that Board approval of the sale by Pivotal of the assets of Elkton is not required and, accordingly, the Board should disclaim jurisdiction over that sale. None of the assets of Elkton that are proposed to be transferred are located in New Jersey, and none of Elkton's assets have been used to provide service to customers in New Jersey or reflected in rates paid by New Jersey customers. The sale of Elkton will have no impact on New Jersey, Elizabethtown or its customers. Moreover, the MDPSC has jurisdiction over and will ultimately determine the terms on which the proposed sale of Elkton's assets will occur for the benefit of customers in Maryland. Under these circumstances, the Board should disclaim

jurisdiction over the sale of Elkton, or in the alternative, to the extent necessary[9] authorize the proposed transaction.

VI. SUPPORTING TESTIMONY

57. The Joint Petitioners are submitting the Direct Testimony and supporting exhibits of the following witnesses, which testimony and exhibits are incorporated herein by reference:

A. Michael J. Renna, President and CEO, SJI, presents an overview of SJI and its subsidiaries as well as the proposed Acquisition. Mr. Renna further details how the Acquisition will positively impact Elizabethtown customers and the State as well as the commitments SJI is making in connection with the Acquisition.

B. Brian MacLean, President, Elizabethtown, discusses benefits and impacts of the proposed Acquisition, as well as background information concerning the Acquisition and Elizabethtown's operations, and provides support for Pivotal's request to discontinue its service to customers in New Jersey and information concerning the transfer from Pivotal to SJI of the assets of Elkton.

C. David Robbins, Jr., Senior Vice President of SJI and President of South Jersey Gas discusses how Elizabethtown will operate once integrated into the SJI family and how the SJI management philosophy will be applied. Mr. Robbins further discusses the proposed SJRG AMA and how Elizabethtown will readily transition into the SJI Utilities framework. He also discusses why the proposed Acquisition will not have an adverse impact on competition,

[9] To the extent that the Board were to approve the sale of Elizabethtown's assets and that sale were to close prior to the close of the sale of Elkton's assets, Board approval would no longer be necessary because Pivotal would no longer be a public utility under New Jersey law.

rates, utility service, or employees. In addition, Mr. Robbins provides support for the accounting order sought regarding Elizabethtown's regulatory assets and liabilities.

D. Ann T. Anthony, Vice President and Treasurer, SJI, provides an overview of the financial transactions associated with the Acquisition as well as the capitalization of Elizabethtown post-Closing.

E. Gregory M. Nuzzo, President, SJRG, provides support for approval of the SJRG AMA, and discusses its benefits and the qualifications and expertise of SJRG that will permit it to ably replace Sequent as Elizabethtown's gas supplier and asset manager post-Closing.

VII. ADDITIONAL INFORMATION

58. Consistent with the Board's Rules of Practice as set forth in the New Jersey Administrative Code, the following is supplied:

A. Exhibit G is a copy of the requisite shareholder consent.

B. Copies of the balance sheets of Pivotal and SJI (consolidated) as of September 30, 2017 are attached as Exhibit H. The Pivotal balance sheet will serve as the pro forma balance sheet of the post-Closing Elizabethtown entity.

C. Copies of income statements of Pivotal and SJI (consolidated) as of September 30, 2017 are attached as Exhibit I. The Pivotal income statement will serve as the pro forma income statement of the post-Closing Elizabethtown entity.

D. Copies of the Certificates of Incorporation of the post-Closing Elizabethtown entity Pivotal; and South Jersey Gas are attached hereto as Exhibit J.

E. No new stock will be issued by the post-Closing Elizabethtown entity, SJI Utilities, or South Jersey Gas.

F. 100 percent of the stock of South Jersey Gas will be contributed by SJI to SJI Utilities.

G. No franchise is proposed to be capitalized on the books of the newly formed Elizabethtown, South Jersey Gas, or SJI Utilities.

H. Attached hereto as Exhibit K is a schedule depicting the names and addresses of the Officers, Directors and Principal Stockholders and number of shares to be held in the post-Closing Elizabethtown entity, South Jersey Gas and SJI Utilities.

I. The benefits to the public and the involved entities are demonstrated in the body of this Joint Petition, and in the testimony attached hereto.

J. There are no proposed changes to be made with respect to policies with respect to finances, operations, accounting, rates, depreciation, operating schedules, maintenance and management of any entity arising from this Acquisition.

K. Attached hereto as Exhibit L is a copy of the proposed public notice of this Joint Petition that will be published in newspapers published and circulated in Elizabethtown's service territory. Exhibit L also contains the proposed form of notice required to be served on the clerks in the municipalities and counties being served by Elizabethtown and public utilities serving in Elizabethtown's service area. Proof of service of these notices will be provided to the Board following the provision of such Notice.

L. Proof of notice to other State or Federal regulatory agencies having jurisdiction over the Acquisition will be provided.

M. A schedule of fees and expenses expected to be incurred in connection with the transactions contemplated herein will be provided when available.

N. Attached hereto as Exhibit M is a schedule depicting a description of the capital stock of South Jersey Gas proposed to be transferred including the class of shares, number of shares, and the par value or stated value thereof.

O. The qualifications, business, and technical expertise of SJI and SJI Utilities and their officers, directors, and shareholders are set forth in the testimony attached to this Joint Petition.

VIII. PROPOSED SCHEDULE AND OTHER PROCEDURAL MATTERS

59. Attached to this Joint Petition is a proposed Procedural Schedule, which is attached as Exhibit N.

60. To facilitate the provision of confidential information in the discovery process, attached as Exhibit O is a proposed Non-Disclosure Agreement for use by the parties during the course of this proceeding.

61. The proposed Procedural Schedule envisions completion of this proceeding, and adoption of an Order of the Board approving the transactions at its May 2018 Agenda Meeting, effective June 1, 2018.

62. Joint Petitioners request that this matter be retained at the Board and that a Commissioner be assigned thereto for hearing of this matter.

IX. DESCRIPTION OF OTHER APPROVALS/NOTICES

63. Additional non-BPU approvals/notices related to the Acquisition include: (1) clearance under the Hart-Scott-Rodino Act; (2) temporary waiver by the Federal Energy Regulatory Commission ("FERC") of its capacity release regulations, related tariff provisions, and any other authorizations or waivers necessary to facilitate the transfer of pipeline transportation capacity; (3) an Order of the FERC granting SJI's request for a Natural Gas Act Section 7(f) service area determination for certain pipeline facilities that connect Elizabethtown's

distribution facilities to Columbia Gas Transmission LLC, an interstate pipeline in Pennsylvania; and (4) authorization of the Federal Communications Commission ("FCC") to transfer control of Pivotal's pertinent FCC Registration Numbers. Pursuant to N.J.A.C. 14:1-5.2, copies of the applications filed with other regulatory bodies identified above will be provided to the Board. Joint Petitioners will provide to the Board updates concerning these approvals as they are received.

X. COMMUNICATIONS AND NOTICES

64. All communications and notices with respect to this proceeding should be served upon the following:

Ira G. Megdal
Christine Soares
Cozen O'Connor
LibertyView, Suite 300
457 Haddonfield Road
P.O. Box 5459
Cherry Hill, NJ 08002
imegal@cozen.com
csoares@cozen.com

Kenneth T. Maloney
Cullen and Dykman, LLP
1101 14th Street, NW, Suite 750
Washington, DC 20005
kmaloney@cullenanddykman.com

Steven R. Cocchi, Vice President
Strategy & Growth
South Jersey Industries
One South Jersey Plaza, Route 54
Folsom, NJ 08037
scocchi@sjindustries.com

Mary Patricia Keefe
Vice President, External Affairs and Business Support
Elizabethtown Gas
520 Green Lane
Union, NJ 07083
pkeefe@southernco.com

Stacy A. Mitchell
Senior Director, Regulatory Affairs
South Jersey Gas Company
One South Jersey Plaza, Route 54
Folsom, NJ 08037
smitchell@sjindustries.com

Deborah M. Franco
Cullen and Dykman, LLP
One Riverfront Plaza
Newark, NJ 07102
dfranco@cullenanddykman.com

Erica L. McGill
Senior Regulatory Counsel
Southern Company Gas
Ten Peachtree Place NE
Atlanta, GA 30309
ermcgill@southernco.com

XI. CONCLUSION AND REQUESTED APPROVAL

WHEREFORE, Joint Petitioners respectfully request that the Board:

- grant approval of the acquisition of control by ETG Acquisition Corp. of Elizabethtown pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14;

- grant approval of the sale of substantially all of the assets of Elizabethtown, including Elizabethtown's property, franchises, privileges, rights and municipal consents pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6;

- authorize the execution of a Master Services Agreement between SJI and ETG Acquisition Corp. (to be named Elizabethtown Gas Company after Closing) pursuant to N.J.S.A. 48:3-7.1 and N.J.A.C. 14:4-4.5;

- authorize the execution of two Shared Services Agreements among SJI Utilities, ETG Acquisition Corp. (to be named Elizabethtown Gas Company after Closing) and South Jersey Gas pursuant to N.J.S.A. 48:3-7.1 and N.J.A.C. 14:4-4.5;

- authorize the Consent Agreement and the Replacement Agreement, collectively the SJRG AMA, described in this Joint Petition pursuant to N.J.S.A. 48:3-7.1 and N.J.A.C. 14:4-4.5;

- grant approval of the transfer of stock on South Jersey Gas' books so that South Jersey Gas would be a wholly owned subsidiary of SJI Utilities pursuant to N.J.S.A. 48:3-7.10 and N.J.A.C. 14:1-5.10;

- determine that it does not have jurisdiction over the sale by Pivotal of assets of Elkton or in the alternative, approve the sale;

- authorize ETG Acquisition Corp. (to be named Elizabethtown Gas Company after Closing) to record certain regulatory assets and liabilities and to continue to employ deferred accounting for the costs recorded as regulatory assets and liabilities;

- approve the adoption of the Elizabethtown Tariff by ETG Acquisition Corp. (to be named Elizabethtown Gas Company after Closing) and direct that a tariff compliance filing be made within 10 days of the Closing reflecting a name change from Elizabethtown to Elizabethtown Gas Company effective simultaneously with the Closing;

- authorize Pivotal and its division, Elizabethtown, to discontinue the provision of utility service pursuant to N.J.S.A. 48:2-24 and be relieved of its obligations under the Elizabethtown Tariff and associated Board orders upon Closing;

- determine to retain this matter for hearing by the Board directly, with a decision to be rendered by May 2018; and

- grant such other relief as may be just and reasonable.

Dated: December 21, 2017

COZEN O'CONNOR
Attorneys for Petitioner
SOUTH JERSEY INDUSTRIES, INC.,
ETG ACQUISITION CORP. AND
SOUTH JERSEY RESOURCES GROUP, LLC

By: _____
Ira G. Megdal
Christine Soares
LibertyView, Suite 300
457 Haddonfield Road
P.O. Box 5459
Cherry Hill, NJ 08002

CULLEN AND DYKMAN LLP
Attorneys for Petitioner
PIVOTAL UTILITY HOLDINGS
d/b/a ELIZABETHTOWN GAS

By: _____
Kenneth T. Maloney
1101 14th Street, NW, Suite 750
Washington, DC 20005
and
Deborah M. Franco
One Riverfront Plaza
Newark, NJ 07102

VERIFICATION

I, Steven R. Cocchi, of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am Senior Vice President, Strategy and Growth for South Jersey Industries and I am authorized to make this verification on behalf of South Jersey Industries and ETG Acquisition Corp.

2. I have reviewed the within Joint Petition and the information contained herein is true as it pertains to South Jersey Industries and ETG Acquisition Corp according to the best of my knowledge, information and belief.

Steven R. Cocchi

Sworn to and subscribed
before me this 21st day
of December, 2017.

CAROLYN A. JACOBS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 28, 2018

VERIFICATION

I, Gregory M. Nuzzo, of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am President of South Jersey Resources Group, LLC. and I am authorized to make this verification on behalf of South Jersey Resources Group, LLC.

2. I have reviewed the within Joint Petition and the information contained herein is true as it pertains to South Jersey Resources Group according to the best of my knowledge, information and belief.

Sworn to and subscribed
before me this 21st day
of December, 2017.

CAROLYN A. JACOBS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 28, 2018

VERIFICATION

I, Mary Patricia Keefe, of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am Vice President, External Affairs and Business Support of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Pivotal") and I am authorized to make this verification on behalf of Pivotal.

2. I have reviewed the within Joint Petition and the information contained therein is true as it pertains to Pivotal and its affiliates, including The Southern Company, Southern Company Gas, Elkton Gas and AGL Services Company according to the best of my knowledge, information and belief.

Mary Patricia Keefe

Sworn to and subscribed
before me this 21st day
of December, 2017.

Jane James
Notary Public
My Commission Expires Dec. 20, 2021

EXHIBITS

SOUTH JERSEY INDUSTRIES, INC.
ACQUISITION COMMITMENTS

- A one-time $5 million rate credit to be provided to Elizabethtown Basic Gas Supply Service ("BGSS") customers in connection with the post-Closing assignment of the Elizabethtown and Sequent Energy Management L.P. asset management agreement (the "SEM AMA") within 90 days of Closing;

- For three years following the Closing, SJI (or an affiliate) will maintain a minimum of 330 employees in New Jersey to support Elizabethtown's operations;

- SJI will add a significant number of new employees to New Jersey, over and above the 330 employee commitment, to replace those services that are currently provided to Elizabethtown by SCG employees in other states (i.e., Georgia, Illinois and Virginia);

- The SEM AMA, which is set to expire on March 31, 2019, will be assigned to SJRG. Following the expiration of the SEM AMA, SJRG and Elizabethtown will enter into a new asset management agreement (the "Replacement Agreement") for a five-year term commencing April 1, 2019 through March 31, 2024. As a result of the assignment of the SEM AMA and the Replacement Agreement, Elizabethtown BGSS customers will be guaranteed a minimum $26.25 million credit over that period, inclusive of the $5 million rate credit to be provided to Elizabethtown BGSS customers within 90 days of Closing;

- To the extent any savings are realized by Elizabethtown as a result of the Acquisition, those savings net of the costs to achieve, will be passed on to Elizabethtown's customers through the normal base rate case process;

- Prior to the Closing, SJI will make offers of employment to all then current Elizabethtown employees on terms and at compensation and benefit levels comparable to their then existing terms and compensation and benefit levels;

- SJI will honor all of Elizabethtown's existing collective bargaining agreements in effect at the time of the Closing;

- SJI will assume all obligations to Elizabethtown's employees and retirees with respect to pension benefits;

- SJI will maintain Elizabethtown's local core management team following the Closing;

- Elizabethtown's field service centers, call center, walk-in payment centers and Union, New Jersey headquarters will be maintained for a period of at least three years following the Closing;

- SJI will maintain Elizabethtown's current level of community support contributions of $190,000 per year for a period of five years following the Closing. Community support

projects could include charitable, workforce development and economic development efforts;

- SJI will provide Elizabethtown with the resources necessary to invest in capital and infrastructure projects to help ensure that Elizabethtown may continue to provide safe, reliable and adequate utility service;

- Elizabethtown will file its next base rate case no later than June 2020;

- Elizabethtown will not seek to recover in rates any premium paid for assets acquired in the Acquisition or good will arising from the Acquisition, in the form of an acquisition adjustment or otherwise;

- Elizabethtown will not seek to recover any transaction costs in connection with the Acquisition. Transaction costs are defined as consultant, investment banker, legal and regulatory support fees (internal and external), printing and similar expenses, change in control payments, any severance or retention costs;

- There will be no change to Elizabethtown's existing ratemaking capital structure ratios of debt and equity in connection with the Acquisition;

- Elizabethtown will not issue equity in connection with the Acquisition;

- In connection with the assigned SEM AMA and the Replacement Agreement, SJRG will separately account for margins derived from transactions involving Elizabethtown's gas supply and upstream capacity assets; and

- In connection with the assigned SEM AMA and the Replacement Agreement, Elizabethtown will continue to provide quarterly reports to Board Staff and the Division of Rate Counsel which contain information about the value generated and shared under the AMA ("Margin Sharing Reports"). SJRG will provide the information necessary for Elizabethtown to prepare and provide the Margin Sharing Reports.

Exhibit B

Execution Version

ASSET PURCHASE AGREEMENT

by and between

Pivotal Utility Holdings, Inc.

as Seller,

and

South Jersey Industries, Inc.

as Buyer

Dated as of October 15, 2017

TABLE OF CONTENTS

Page

APPENDICES AND EXHIBITS

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made and entered into as of October 15, 2017, by and between Pivotal Utility Holdings, Inc., a New Jersey corporation ("Seller"), and South Jersey Industries, Inc., a New Jersey corporation ("Buyer" and together with Seller, the "Parties" and each individually a "Party").

Recitals

WHEREAS, Seller owns the Purchased Assets (as defined below), which constitute the Elizabethtown Gas operating division of Seller; and

WHEREAS, upon the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Purchased Assets and Seller desires to assign to Buyer, and Buyer desires to assume from Seller, the Assumed Obligations (as defined below).

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions.

(a) As used in this Agreement, the following terms have the meanings specified in this Section 1.1(a):

"2017/2018 Budget" has the meaning set forth in Section 7.1(d).

"ABO" has the meaning set forth in Section 7.11(d).

"Accounting Firm" has the meaning set forth in Section 3.2(c).

"Acquisition" has the meaning set forth in Section 10.2(e).

"Affiliate" has the meaning set forth in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended.

"Allocation Schedule" has the meaning set forth in Section 7.9(a).

"Ancillary Agreements" means the Bill of Sale, each Assignment of Easements, each Assignment of Leases, the Deed and each other instrument, certificate or document contemplated to be executed or delivered by any Party in connection with the transactions contemplated by this Agreement.

"APBO" has the meaning set forth in Section 7.11(e).

"Assigned IP" has the meaning set forth in Section 2.2(f).

"Assignment of Easements" means the assignment and assumption of Seller's right, title and interest in the Conveyed Easements to be executed and delivered by Seller at the Closing, substantially in the form attached hereto as Exhibit A.

"Assignment of Leases" means the assignment of the Leases, to be executed and delivered by Seller and Buyer at the Closing, substantially in the form attached hereto as Exhibit B.

"Assumed Obligations" has the meaning set forth in Section 2.4.

"Balance Sheet" has the meaning set forth in Section 5.4(a).

"Base Purchase Price" has the meaning set forth in Section 3.1.

"Benefit Plan" has the meaning set forth in Section 5.13(a).

"Bill of Sale" means the bill of sale, assignment and assumption agreement to be executed and delivered by Seller and Buyer at the Closing, substantially in the form attached hereto as Exhibit C.

"Business" means the business and operations of the Elizabethtown Gas operating division of Seller, as currently conducted by Seller.

"Business Agreement" means any contract, agreement, real or personal property lease, commitment, understanding, or instrument to which Seller or any Affiliate of Seller is a party, whether oral or written, that relates primarily to the Business, the Purchased Assets, or the Assumed Obligations.

"Business Confidential Information" has the meaning set forth in Section 7.3(a).

"Business Day" means any day other than Saturday, Sunday, or any day on which banks in the City of New York are authorized by Law to close.

"Business Employee" means an employee of Seller or its Affiliates who is employed as of the Effective Date and whose work responsibilities relate primarily to the Business, as set forth on Schedule 7.10(a) as it may be updated from time to time.

"Buyer Indemnified Representation" has the meaning set forth in Section 9.1.

"Buyer" has the meaning set forth in the introductory paragraph hereto.

"Buyer Benefit Plan" has the meaning set forth in Section 7.11(a).

"Buyer Indemnitees" has the meaning set forth in Section 9.2(a).

"Buyer Pension Plan" has the meaning set forth in Section 7.11(d).

"Buyer Required Regulatory Approvals" means the approvals set forth on Schedule 1.1(a), which shall include compliance with and filings under the requirements of the HSR Act.

"Buyer VEBA" has the meaning set forth in Section 7.11(e).

"Buyer's Representatives" means Buyer's accountants, employees, counsel, environmental consultants, financial advisors, and other Representatives.

"Cash and Cash Equivalents" means all cash, bank accounts, certificates of deposit, commercial paper, treasury bills and notes, marketable securities and other cash equivalents of the Business, and all other items included as cash or cash equivalents on the Financial Statements.

"Claims" means any and all administrative, regulatory, judicial or arbitration actions or causes of action, suits, petitions, proceedings (including arbitration proceedings), investigations, hearings, demands, demand letters, claims, or notices of noncompliance or violation delivered by any Governmental Entity or other Person.

"Closing" has the meaning set forth in Section 4.1.

"Closing Statement" has the meaning set forth in Section 3.2(b).

"Closing Working Capital" has the meaning set forth in Section 3.2(b).

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

"COBRA Continuation Coverage" means the continuation of medical coverage required under sections 601 through 608 of ERISA, and section 4980B of the Code and any comparable continuation of medical coverage required by applicable state or local Law.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidential Information" has the meaning set forth in Section 7.3(a).

"Confidentiality Agreement" means the Confidentiality Agreement, dated as of August 31, 2017, as amended, between Southern Company Gas and Buyer.

"Continuation Period" has the meaning set forth in Section 7.11(a).

"Continuing Guarantees" has the meaning set forth in Section 7.19.

"Conveyed Easements" has the meaning set forth in Section 2.2(a)(i).

"Current Assets" means the current assets of the Business as of the Effective Time, including billed and unbilled revenues, inventory (including Gas Inventory), prepaid expenses, any account balances related to the Hedge Agreements and other items that would be classified as "current assets" on the Financial Statements, as well as the other assets identified on Schedule

1.1(g), in each case, determined in accordance with, and subject to, the Principles applicable to determining the Working Capital; provided, however, that "Current Assets" shall not include Cash and Cash Equivalents, any other asset that does not constitute a Purchased Asset or any other asset included in "current assets" on the Financial Statements that are specifically excluded from "Current Assets" on Schedule 1.1(g).

"Current Liabilities" means the current liabilities of the Business as of the Effective Time, including accounts payable and accrued expenses, any liabilities related to the Hedge Agreements and other items that would be classified as "current liabilities" on the Financial Statements, as well as the other liabilities identified on Schedule 1.1(g), in each case, determined in accordance with, and subject to, the Principles; provided, however, that "Current Liabilities" shall not include Excluded Liabilities or any other liabilities included in "current liabilities" on the Financial Statements that are specifically excluded from "Current Liabilities" on Schedule 1.1(g).

"Deed" means the deeds to be executed and delivered by Seller at the Closing with respect to the Owned Real Property, substantially in the form attached hereto as Exhibit D.

"Direct Loss" has the meaning set forth in Section 9.3(d).

"Documents" means the files, documents, client lists, instruments, papers, books, reports, purchase orders, invoices, copies of cancelled checks, accounting records, regulatory filings including in respect of general or other rate cases (and all filings and correspondence with the NJBPU), operating data and plans, mapping records, technical documentation (such as design specifications, functional requirements, and operating instructions), user documentation (such as installation guides, user manuals, and training materials), and other similar materials, in any form, to the extent in the possession or control of Seller and to the extent related primarily to the Purchased Assets, the Assumed Obligations or the Business; provided, that "Documents" does not include: (i) any of the foregoing to the extent primarily related to any Excluded Asset or Excluded Liability; (ii) information which, if provided to Buyer, would violate any applicable Law or Order; (iii) any valuations related to the sale of the Business, the Purchased Assets, or the Assumed Obligations; (iv) any and all materials not relating primarily to the Business; (v) any materials protected by attorney-client privilege or other legal privilege; (vi) copies of materials archived or backed up in accordance with normal procedures; and (vii) Tax Returns and any related or supporting information.

"Easements" means all easements, license agreements, railroad crossing rights, rights-of-way, leases for rights-of-way, and similar use and access rights related to the Purchased Assets or Business.

"Effective Date" has the meaning set forth in Section 4.1.

"Effective Date Payment" has the meaning set forth in Section 3.1(a).

"Effective Time" has the meaning set forth in Section 4.1.

"Encumbrances" means any mortgages, pledges, liens, claims, charges, security interests, conditional and installment sale agreements, activity and use limitations, Easements, covenants,

encumbrances, obligations, limitations, title defects, deed restrictions, preferential purchase rights or options, and any other restrictions of any kind, including restrictions on use, transfer, receipt of income, or exercise of any other attribute of ownership.

"Environment" means all or any of the following media: soil, land surface and subsurface strata, surface waters (including navigable waters, streams, ponds, drainage basins, and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including the air within buildings and the air within other natural or man-made structures above or below ground), plant and animal life, and any other natural resource.

"Environmental Claims" means any and all Claims arising pursuant to any Environmental Laws or Environmental Permits, or arising from the presence, Release, or threatened Release (or alleged presence, Release, or threatened Release) into the Environment of any Hazardous Materials, including any and all Claims by any Governmental Entity or by any Person for enforcement, cleanup, remediation, removal, response, remedial or other actions or damages, contribution, indemnification, cost recovery, compensation, or injunctive relief pursuant to any Environmental Law.

"Environmental Laws" means any and all Laws regulating or relating to, or imposing liability with respect to, pollution or the protection of human health, safety, the Environment, or damage to natural resources, including Laws relating to Releases and threatened Releases or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Materials. Environmental Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq. ("CERCLA"); the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Oil Pollution Act, 33 U.S.C. § 2701 et seq.; the Endangered Species Act, 16 U.S.C. § 1531 et seq.; the National Environmental Policy Act, 42 U.S.C. § 4321, et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Atomic Energy Act, 42 U.S.C. § 2014 et seq.; the Nuclear Waste Policy Act, 42 U.S.C. § 10101 et seq.; the Protecting our Infrastructure of Pipelines and Enhancing Safety Act, 49 U.S.C. 60101 et. seq. and their state and local counterparts or equivalents, all as amended from time to time, and regulations issued pursuant to any of those Laws.

"Environmental Permits" means all permits, registrations, certifications, licenses, franchises, exemptions, approvals, consents, waivers, water rights or other authorizations of Governmental Entities issued under or with respect to applicable Environmental Laws and used or held by Seller for the operation of the Business.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any Person or entity that together with Seller would be deemed to be under common control within the meaning of section 414(b), (c), (m) or (o) of the Code.

"Estimated Closing Statement" has the meaning set forth in Section 3.2(a).

"Estimated Closing Working Capital" means Seller's good faith estimate of the Closing Working Capital calculated in accordance with the Principles.

"Excluded Assets" has the meaning set forth in Section 2.3.

"Excluded Liabilities" has the meaning set forth in Section 2.5.

"Financial Statements" has the meaning set forth in Section 5.4(a).

"Financing" means any financing transaction to be entered into by Buyer or its Affiliates in connection with the transactions contemplated hereby.

"Financing Sources" means the agents, arrangers, lenders and other entities that have committed to provide or arrange the Financing or other financings in connection with the transactions contemplated by this Agreement, together with their respective Affiliates and their and their respective Affiliates' current, former or future officers, directors, employees, partners, trustees, shareholders, equity holders, managers, members, limited partners, controlling persons, agents, advisors and representatives and respective successors and assigns of the foregoing Persons.

"Franchises" has the meaning set forth in Section 5.7(a)(i).

"GAAP" means United States generally accepted accounting principles, applied on a consistent basis.

"GAS Affiliate" means Southern Company Gas and all of its direct and indirect subsidiaries.

"Gas Inventory" means the book value of the inventory of natural gas and natural gas products located in Seller's facilities or in facilities contracted or leased by Seller that are included in the Purchased Assets, determined as of a particular date in accordance with, and subject to, the Principles.

"Governing Documents" of a Party means the articles or certificate of incorporation and bylaws, or comparable governing documents, of such Party.

"Governmental Entity" means the United States of America and any other federal, state, local, or foreign governmental or regulatory authority, department, agency, commission, body, court, or other governmental entity.

"Guarantees" has the meaning set forth in Section 7.19.

"Hazardous Material" means (i) any chemicals, materials, substances, or wastes which are now or hereafter defined as or included in the definition of "hazardous substance," "hazardous material," "hazardous waste," "solid waste," "toxic substance," "extremely hazardous substance," "pollutant," "contaminant," or words of similar import under any

applicable Environmental Laws; (ii) any petroleum, petroleum products (including crude oil or any fraction thereof), natural gas, natural gas liquids, liquefied natural gas or synthetic gas useable for fuel (or mixtures of natural gas and such synthetic gas), or oil and gas exploration or production waste, polychlorinated biphenyls, asbestos-containing materials, mercury, and lead-based paints; and (iii) any other chemical, material, substances, waste, or mixture thereof which is prohibited, limited, or regulated by Environmental Laws.

"Hedge Agreements" has the meaning set forth in Section 2.2(h).

"Holdback Property" has the meaning set forth in Section 7.7(c).

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indemnifiable Loss" has the meaning set forth in Section 9.2(a).

"Indemnification Cap" has the meaning set forth in Section 9.3(a).

"Indemnifying Party" has the meaning set forth in Section 9.3(a).

"Indemnitee" has the meaning set forth in Section 9.3(a).

"Intellectual Property" means (i) any U.S. or foreign patents, copyrights, trademarks, maskworks, and other similar intangible rights throughout the world, and applications or registrations for any of the foregoing, (ii) any protectable or proprietary interest, whether registered or unregistered, in know how, trade secrets, database rights, software, operating and manufacturing procedures, designs, specifications and the like, (iii) any protectable or proprietary interest in any similar intangible asset of a technical, scientific or creative nature, and (iv) any protectable or proprietary interests in or to any documents or other tangible media containing any of the foregoing.

"Inventory" has the meaning set forth in Section 2.2(a)(iii).

"ISRA" means Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. and the rules and regulations promulgated thereunder.

"IT Assets" has the meaning set forth in Section 2.2(a)(vii).

"Labor Agreement" has the meaning set forth in Section 5.13(e).

"Law" means any statutes, regulations, rules, ordinances, codes, and similar acts or promulgations of any Governmental Entity.

"Leases" has the meaning set forth in Section 2.2(a)(i).

"Leased Real Property" means the real property in which Seller holds a leasehold interest under a Lease.

"Loss" or "Losses" means losses, liabilities, damages, obligations, payments, penalties, costs, and expenses (including, without limitation, the costs and expenses of any and all actions, suits, proceedings, assessments, judgments, settlements, and compromises relating thereto, reasonable attorneys' fees, reasonable disbursements, interest, penalties and all expenses incurred in investigating, preparing or defending against any litigation commenced or threatened or any Claim or Order in connection therewith).

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, properties, results of operations, or condition (financial or otherwise) of the Business, taken as a whole, or (b) the ability of Seller to perform its obligations under this Agreement and consummate the transactions contemplated hereby on a timely basis; provided, however, that, in the case of clause (a) only, (1) the determination of Material Adverse Effect shall take into account any payment, indemnification or other obligation that Seller agrees to make, provide or assume in order to cure or mitigate any such effect and (2) Material Adverse Effect shall not include any fact, circumstance, effect, change, event or development that results from or arises out of (i) the announcement or pendency of this Agreement and the transactions contemplated hereby (including, but not limited to, any adverse effect resulting from any action by a Governmental Entity taken in connection with the Required Regulatory Approvals), (ii) any change in the conditions in the international, national or regional economy, financial markets, capital markets or commodities markets, including changes in interest rates or exchange rates, (iii) any change in international, national, regional, or local regulatory or political conditions, (iv) any change in Law, regulation or accounting principle (or authoritative interpretation thereof), (v) any change in GAAP or in the generally applicable principles used in the preparation of the financial statements as required by the NJBPU, (vi) any changes or developments in national, regional, state or local wholesale or retail markets for natural gas or related products including those due to actions by competitors or due to changes in commodities prices or hedging markets therefor, (vii) any changes or developments in national, regional, state or local natural gas transmission or distribution systems, (viii) any changes or developments in national, regional, state, or local wholesale or retail natural gas prices, (ix) acts expressly permitted by this Agreement or consented to or requested by Buyer, (x) geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism, (xi) any failure to meet any internal or published projections, forecasts, estimates or predictions in respect of recoveries, revenues, earnings or other financial or operating metrics for any period and (xii) any changes in weather or climate or acts of God; provided further, that with respect to clauses (ii)-(viii) and (x), such impact shall be excluded only to the extent it is not disproportionately adverse to the Business, taken as a whole, as compared to other businesses operating in the same industry.

"Material Contracts" has the meaning set forth in Section 5.7(a).

"NJBPU" means the New Jersey Board of Public Utilities.

"Notice of Disagreement" has the meaning set forth in Section 3.2(c).

"Order" means any order, decision, judgment, writ, injunction, decree, directive, or award of a court, administrative judge, or other Governmental Entity acting in an adjudicative or

regulatory capacity, or of an arbitrator with applicable jurisdiction over the subject matter and is inclusive of any Regulatory Order.

"Ordinary Course Update" has the meaning set forth in Section 7.16.

"Other Indemnified Matters" has the meaning set forth in Section 7.13(b).

"Owned Real Property" has the meaning set forth in Section 2.2(a)(i).

"Party" has the meaning set forth in the introductory paragraph hereto.

"Pension Participant" means all persons (i) whose work responsibilities related primarily to the Business, (ii) who was a participant in the Seller Pension Plan and (iii) who retired or whose employment with Seller or its Affiliates terminated for any reason prior to or as of the Closing (including the Transferred Employees).

"Permits" means all permits, certifications, licenses, franchises, exemptions, approvals, consents, waivers or other authorizations of Governmental Entities issued under or with respect to applicable Laws or Orders and used or held by Seller for the operation of the Business or the Purchased Assets, other than Environmental Permits.

"Permitted Encumbrances" means (i) those Encumbrances set forth in Schedule 1.1(b); (ii) statutory liens for Taxes or assessments not yet due or delinquent or the validity or amount of which is being contested; (iii) mechanics', carriers', workers', repairers', landlords', and other similar liens arising or incurred in the ordinary course of business consistent with past practice relating to obligations as to which there is no default on the part of Seller or that are not individually or in the aggregate material in amount or to the Business or the Purchased Assets, taken as a whole, and the validity or amount of which is being contested in good faith by appropriate proceedings, or pledges, deposits, or other liens securing the performance of bids, trade contracts, leases, or statutory obligations (including workers' compensation, unemployment insurance, or other social security legislation); (iv) zoning, entitlement, restriction, and other land use and environmental regulations by Governmental Entities; (v) all rights of any person under condemnation, eminent domain, or other similar proceedings which are pending or threatened in writing prior to the Effective Date; (vi) all Encumbrances arising under approvals relating to the Business or Purchased Assets which have been issued by any Governmental Entities; (vii) Encumbrances existing under or as a result of (A) any leases of Real Property identified in the Seller Disclosure Schedules or (B) leases, subleases, licenses or other agreements which do not constitute Material Contracts; and (viii) Encumbrances created by or through Buyer as of the Closing; provided, however, in the case of (v) and (vi) above, such Encumbrances shall be Permitted Encumbrances so long as they do not prohibit or materially interfere with the operations of the Real Property as currently operated and do not render title to the Owned Real Property unmarketable.

"Person" means any individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated organization, or Governmental Entity.

"Post-Closing Taxes" means all Taxes related to the Purchased Assets and Business for all Taxable Periods or portions thereof other than Pre-Closing Tax Periods.

"Pre-Closing Taxes" means all Taxes related to the Purchased Assets and Business for all Pre-Closing Tax Periods.

"Pre-Closing Tax Period" means any Taxable Period ending at or before the Effective Time and the portion of any Straddle Tax Period ending at the Effective Time.

"Principles" has the meaning set forth in Section 3.2(a).

"Purchased Assets" has the meaning set forth in Section 2.2.

"Purchased Business Agreements" has the meaning set forth in Section 2.2(b).

"Purchase Price" means (i) the Base Purchase Price plus (ii) the Closing Working Capital.

"Qualifying Offer" has the meaning set forth in Section 7.10(b).

"Real Property" has the meaning set forth in Section 2.2(a)(i).

"Regulatory Order" means an Order issued by the NJBPU that affects or governs the rates, services, or other utility operations of the Business.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of Hazardous Materials into the Environment.

"Represented Employees" has the meaning set forth in Section 7.10(a).

"Representatives" means, with respect to any Person, the officers, directors, employees, agents, accountants, advisors, bankers and other representatives of such Person.

"Required Regulatory Approvals" means the Seller Required Regulatory Approvals and the Buyer Required Regulatory Approvals.

"Retained Agreements" has the meaning set forth in Section 2.3(e).

"Retained Business" means all businesses and operations of Seller and its Affiliates (other than the Business), including the business of acquiring, owning, and managing generation assets, including renewable energy projects, and selling electricity at market-based rates in the wholesale market as currently conducted by Seller and its Affiliates.

"Sample Statement" has the meaning set forth in Section 1.1(a).

"Schedule Update" has the meaning set forth in Section 7.16.

"Section 414(l) Amount" has the meaning set forth in Section 7.11(d).

"Seller" has the meaning set forth in the introductory paragraph hereto.

"Seller Disclosure Schedules" means, collectively, all of the Schedules delivered by Seller to Buyer in connection with this Agreement.

"Seller Indemnified Representation" has the meaning set forth in Section 9.1.

"Seller Indemnitees" has the meaning set forth in Section 9.2(b).

"Seller Marks" means all registered and unregistered trademarks, service marks, trade names, logos, Internet domain names and any applications for registration of any of the foregoing, together with all goodwill associated with each of the foregoing ("Trademarks"), owned or used by Seller or its Affiliates, including all Trademarks that include the term "Southern Company Gas" or "AGL Resources" and all Trademarks related thereto or containing or comprising the foregoing, including any Trademarks confusingly similar thereto or dilutive thereof (including any word or expression similar thereto or constituting an abbreviation or extension thereof); provided, however, "Seller Marks" shall not include the trademark "Elizabethtown Gas."

"Seller Pension Plan" has the meaning set forth in Section 7.11(d).

"Seller Required Regulatory Approvals" means the approvals set forth on Schedule 1.1(d), which shall include compliance with and filings under the requirements of the HSR Act.

"Seller's 401(k) Plan" has the meaning set forth in Section 7.11(c).

"Seller's Knowledge", or words to similar effect, means the actual (and not constructive or imputed) knowledge of any individual listed on in Schedule 1.1(e).

"Seller's Representatives" means Seller's accountants, employees, counsel, environmental consultants, financial advisors, managers and other Representatives.

"Straddle Tax Period" means any Taxable Period that begins at or before the Effective Time and ends after the Effective Time.

"Survival Period" has the meaning set forth in Section 9.1.

"Tax" and "Taxes" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties, whether disputed or not, including any obligation to indemnify or otherwise discharge any Tax liability of any other Person.

"Taxable Period" means any taxable year or other period with respect to which any Tax may be imposed under any applicable statute, rule or regulation.

"Tax Contest" has the meaning set forth in Section 5.12(b).

"Tax Dispute Referee" has the meaning set forth in Section 7.9(a).

"Tax-Exempt Bonds" means tax-exempt bonds set forth on Schedule 1.1(j) issued or created in connection with the Business.

"Tax Return" means any return, report, election, declaration, information return, or other document, including any schedules thereto or amendments thereof, provided or required to be filed with any Governmental Entity with respect to Taxes.

"Termination Date" has the meaning set forth in Section 10.1(b).

"Termination Fee" has the meaning set forth in Section 10.2(c).

"Territory" means the service territory described in Schedule 1.1(f).

"Third Party Claim" has the meaning set forth in Section 9.3(a).

"Third Party Claim Notice" has the meaning set forth in Section 9.3(a).

"Threshold Amount" has the meaning set forth in Section 9.4(b)(i).

"Transferable Permits" has the meaning set forth in Section 2.2(c).

"Transfer Date" has the meaning set forth in Section 7.11(d).

"Transferred Employee" has the meaning set forth in Section 7.10(b).

"Transfer Taxes" means any excise, transfer (including real property transfer), documentary, sales, use, value added, stamp, registration, conveyance, filing and recording fees and charges and other similar Taxes, including any interest, penalties, or additions with respect thereto.

"Vehicles" has the meaning set forth in Section 2.2(a)(v).

"WARN Act" means the federal Worker Adjustment Retraining and Notification Act of 1988, as amended, and similar state or local laws related to plant closing, relocations and mass layoffs.

"Welfare Trust" has the meaning set forth in Section 7.11(e).

"Willful Breach" has the meaning set forth in Section 10.2(e).

"Working Capital" means, (a) Current Assets, minus (b) Current Liabilities, in each case, as of the Effective Time, calculated in accordance with the Principles applicable to the Working Capital calculation; provided, that "Working Capital" shall not include any expense or liability for any Taxes or any refund, credit, or other asset relating to any Taxes. Schedule 1.1(g) sets

forth a sample calculation of the Working Capital as of December 31, 2016 (the "Sample Statement").

Section 1.2. Other Interpretive Matters. Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation apply:

(a) Appendices, Exhibits and Schedules. Unless otherwise expressly indicated, any reference in this Agreement to an "Appendix," "Exhibit" or "Schedule" refers to an Appendix, Exhibit or Schedule to this Agreement. The Appendices, Exhibits and Schedules to this Agreement are hereby incorporated and made a part hereof as if set forth in full herein and are an integral part of this Agreement. Any capitalized terms used in any Appendix, Exhibit or Schedule but not otherwise defined therein are defined as set forth in this Agreement. In the event of conflict or inconsistency, this Agreement and the Appendices shall prevail over any Exhibit or Schedule.

(b) Time Periods. When calculating the period of time before which, within which, or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period will be excluded. If the last day of such period is a non-Business Day, the period in question will end on the next succeeding Business Day.

(c) Gender and Number. Whenever the context requires, the gender of all words used in this Agreement includes the masculine, feminine, and neuter, and the singular includes the plural, and the plural includes the singular.

(d) Certain Terms. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement (including the Appendices, Exhibits and Schedules to this Agreement) as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The word "including" or any variation thereof means "including, without limitation" and does not limit any general statement that it follows to the specific or similar items or matters immediately following it. The word "willful" means intentional and malicious. The words "to the extent" when used in reference to a liability or other matter, means that the liability or other matter referred to is included in part or excluded in part, with the portion included or excluded determined based on the portion of such liability or other matter exclusively related to the subject or period. The word "or" shall be disjunctive but not exclusive. A reference to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns. A reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or reenactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto. The phrase "ordinary course of business" refers to the ordinary course of business of the Business and not of Seller and its Affiliates generally.

(e) Headings. The division of this Agreement into Articles, Sections, and other subdivisions, and the insertion of headings are for convenience of reference only and do not affect, and will not be utilized in construing or interpreting, this Agreement. All references in this Agreement to any "Section" are to the corresponding Section of this Agreement unless otherwise specified.

(f) Joint Participation. The Parties have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

ARTICLE II

PURCHASE AND SALE

Section 2.1. Transaction. Upon the terms and subject to the satisfaction of the conditions contained in this Agreement, at the Closing, (i) Seller will sell, assign, convey, transfer, and deliver (or cause to be sold, assigned, conveyed, transferred and delivered) to Buyer, and Buyer will purchase and acquire from Seller (or an Affiliate of Seller, as the case may be), free and clear of all Encumbrances, including, but not limited to, any Encumbrance related to the Tax-Exempt Bonds, (except for Permitted Encumbrances), all of Seller's or Seller's Affiliate's right, title and interest in, to and under the Purchased Assets and (ii) Buyer will, subject to the terms of this Agreement and the Ancillary Agreements, assume and become responsible for all of the Assumed Obligations without recourse to Seller or any of its Affiliates, and thereafter pay, perform and discharge when due, the Assumed Obligations.

Section 2.2. Purchased Assets. For purposes hereof, the "Purchased Assets" shall mean-the following assets primarily related to, used in, held for use in or with respect to the Business, as the same exist at the Effective Time (and, as permitted or contemplated hereby, with such additions and deletions as shall occur from the date hereof through the Effective Time), except to the extent that such assets are Excluded Assets:

(a) The following real and personal property, plant and equipment and related tangible property:

(i) the fee interests in real property described on Schedule 2.2(a)(i), including buildings, structures, pipelines, other improvements, and fixtures located thereon (the "Owned Real Property"); the leasehold interests under the leases described on Schedule 2.2(a)(i) (the "Leases"); and the Easements described on Schedule 2.2(a)(i) relating to the operation of the Business, including buildings, structures, pipelines, other improvements and fixtures located thereon (the "Conveyed Easements" and, all of the foregoing, the "Real Property");

(ii) the natural gas distribution utility system assets used primarily in the Business, including as described on Schedule 2.2(a)(ii);

(iii) the Gas Inventory of the Business to the extent owned by Seller as of the Effective Time;

(iv) the parts and other inventory that are held for use primarily in connection with the Business to the extent owned by Seller or any of its Affiliates as of the Effective Time (collectively, the "Inventory");

(v) all motor vehicles, trailers and similar rolling stock used primarily in the Business, including as described on Schedule 2.2(a)(v), to the extent owned or leased by Seller or any of its Affiliates as of the Effective Time (collectively, the "Vehicles");

(vi) the furnishings, fixtures, machinery, equipment, materials and other tangible personal property owned by Seller or any of its Affiliates (other than Inventory, IT Assets and Vehicles) that are located in the Territory and that are used primarily in connection with the operation of the Business to the extent owned by Seller as of the Effective Time; and

(vii) the information technology and communications equipment used primarily in the Business and located in the Territory, including as described on Schedule 2.2(a)(vii) ("IT Assets");

(b) the Business Agreements described on Schedule 2.2(b) (the "Purchased Business Agreements"), subject to Section 7.7(b);

(c) the Permits used or held by Seller primarily in connection with the Business or the ownership or operation of the Purchased Assets, including, but not limited to, the items set forth on Schedule 2.2(c), except to the extent that, any such Permits are prohibited by applicable Law, Order or the terms of any such Permit from being assigned to Buyer in connection with the transactions contemplated hereby (the "Transferable Permits");

(d) all regulatory assets, including under-recovered gas cost adjustments and recoverable environmental costs;

(e) the Documents;

(f) the trademark "Elizabethtown Gas" (including any other trademarks relating to the Business that only include the name "Elizabethtown" and do not contain the names "Southern", "Southern Company Gas" or "Pivotal" or any other trademark owned by Seller), the domain name www.elizabethtowngas.com and all social media user names/accounts of the Business (including Twitter (@etowngas) and facebook (@ElizabethtownGas)) (the "Assigned IP");

(g) all Claims and defenses of Seller or any of its Affiliates against any Person to the extent such Claims or defenses relate primarily to the Purchased Assets or the Assumed Obligations, provided such Claims and defenses will be assigned by Seller or such Affiliate to Buyer without warranty or recourse;

(h) all assets recorded or reflected on the Balance Sheet and acquired since the date of the Balance Sheet, including all Current Assets as of the Effective Time, including all receivables and all credits, prepaid expenses, advance payments, security deposits, escrows and other prepaid items of Seller or any of its Affiliates arising from or primarily related to the Business, provided it will not include cash reserves or prepaid Taxes;

(i) the hedge agreements relating to the Business as set forth on Schedule 2.2(i) (the "Hedge Agreements");

(j) the assets and other rights specifically set forth on Schedule 2.2(j); and

(k) any other asset, interest or rights of Seller or any of its Affiliates to the extent related exclusively or primarily to, used exclusively or primarily in or held for use exclusively or primarily in the Business, except for Excluded Assets.

Section 2.3. Excluded Assets. The Purchased Assets do not include any property or assets of Seller other than as described in Section 2.2 and, notwithstanding any provision to the contrary in Section 2.2 or elsewhere in this Agreement, the Purchased Assets do not include the following property or assets of Seller (all assets excluded pursuant to this Section 2.3, the "Excluded Assets"):

(a) Cash and Cash Equivalents;

(b) certificates of deposit, shares of stock, securities, bonds, debentures, evidences of indebtedness, and any other debt or equity interest in any Person;

(c) all assets used by Seller in performing corporate, support, administrative and other services, which assets are not utilized primarily by the Business;

(d) all intercompany receivables and loans;

(e) all Business Agreements other than the Purchased Business Agreements, including, without limitation, those set forth on Schedule 2.3(e) (the "Retained Agreements");

(f) any assets that have been disposed of in the ordinary course of business and in compliance with this Agreement after the date hereof and prior to the Effective Time;

(g) all books and records other than the Documents; provided, that with respect to any such books and records that contain information pertinent to the Business and the Retained Business, Seller shall permit Buyer to make copies (at its expense) of such books and records, subject to any applicable redactions of information that does not relate to the Business;

(h) any Seller Marks and any other Intellectual Property or rights therein or related to any business of Seller or any of its Affiliates other than the Business and the Assigned IP;

(i) any refund or credit, claim for refund or credit or rights to receive refunds or credits with respect to Taxes paid or payable by or on behalf of Seller or any Affiliate of Seller, whether such refund is received as a payment or as a credit, abatement or similar offset against future Taxes payable (except to the extent any such refund or credit relates to Taxes borne by Buyer pursuant to Section 7.9);

(j) except to the extent expressly provided in Section 2.2(g), all Claims of Seller against any Person;

(k) all rights, Claims, credits and defenses to the extent relating to any other Excluded Asset or any Excluded Liability, including any such items arising under insurance policies, guarantees, warranties, indemnities and similar rights in respect of any such Excluded Asset or any Excluded Liability, whether arising before, on or after the Effective Date;

(l) all insurance policies, and rights thereunder, including any such policies and rights in respect of the Purchased Assets, the Assumed Obligations or the Business and including all insurance recoveries thereunder and rights to assert claims with respect to any such insurance recoveries, whether arising before, on or after the Effective Date other than as provided for in Section 7.13;

(m) (i) all Tax Returns and any related or supporting information, (ii) Documents prepared in connection with the transactions contemplated hereby, including bids received from other Persons and analyses relating to the Business and (iii) file copies of any Documents retained by Seller, in each case, whether before, on or after the Effective Date;

(n) all rights of Seller or its Affiliates under any confidentiality, non-use or similar contract, agreement or understanding with any employee or contractor of Seller or its Affiliates to the extent that such rights do not primarily relate to the Business, whether arising before, on or after the Effective Date;

(o) all financial and Tax records relating to the Business and the Purchased Assets to the extent that they constitute a part of the general ledger of Seller or any of its Affiliates, whether before, on or after the Effective Date; provided, that with respect to any such financial and Tax records that contain information pertinent to the Business and the Retained Business, Seller shall permit Buyer to make copies (at its expense) of such books and records, subject to any applicable redactions of information that does not relate to the Business;

(p) the rights of Seller arising under or in connection with this Agreement, any certificate or other document delivered in connection herewith, and any of the transactions contemplated hereby and thereby;

(q) except as otherwise expressly provided in Section 7.10(d), Section 7.11(d) or Section 7.11(e), all Benefit Plans and all assets under or relating to any Benefit Plan;

(r) any properties, assets, goodwill and rights of Seller or any of its Affiliates of whatever kind and nature, real, personal or mixed, tangible or intangible that are not used primarily in, or that do not arise primarily out of, the operation or conduct of the Business, whether arising before, on or after the Effective Date;

(s) all goodwill of the Business (except, solely for Tax purposes, to the extent of any amount allocated to goodwill in an Allocation Schedule);

(t) any information technology and communications equipment other than the IT Assets; and

(u) the assets and other rights set forth on Schedule 2.3(u).

Section 2.4. Assumed Obligations. On the Effective Date, Buyer will deliver to Seller the Bill of Sale (and such other documents as may be needed with respect to specific obligations) pursuant to which Buyer will specifically assume, as of the Effective Time, the following liabilities and obligations of Seller, in each case, to the extent related to the Business (the "Assumed Obligations"):

(a) all accounts payable or other accrued and unpaid current expenses primarily arising out of or primarily relating to the operation or conduct of the Business outstanding as of or arising after the Effective Date, but only to the extent such payables and expenses are included in the calculation of Closing Working Capital;

(b) all liabilities and obligations of Seller with respect to over-recovered purchased gas cost adjustment charges, and all customer deposits, customer advances for construction, deferred credits, regulatory liabilities and other similar items, in each case primarily related to the Business;

(c) all obligations of Seller under any Regulatory Order applicable to the Business or the Purchased Assets;

(d) all contractual obligations and commitments under any Purchased Business Agreement, the Transferable Permits and any other agreements or contractual rights assigned or transferred to, or assumed by, Buyer, whether arising before, on or after the Effective Date;

(e) all Post-Closing Taxes; provided, however, Buyer is not assuming any liabilities for any Pre-Closing Taxes;

(f) all liabilities, obligations or commitments that relate primarily to, or that arise primarily out of, any Purchased Asset, or that arise out of the ownership by Buyer or its subsidiaries of any Purchased Asset or associated with the realization of the benefits of any Purchased Asset, whether arising before, on or after the Effective Date;

(g) all liabilities and obligations of Seller or any of its Affiliates, including, without limitation, those described on Schedule 7.19, with respect to guarantees by Seller or any of its Affiliates (or instruments serving a similar function) issued or created for the account of the Business, whether arising before, on or after the Effective Date;

(h) all liabilities, obligations and commitments, including financial assurance obligations, relating to the Business or any Purchased Asset, or attributable to the ownership of the Business or any Purchased Asset, arising under, based upon, or relating to, any Environmental Law, Environmental Permit, Environmental Claim or Release of Hazardous Materials, in each case, whether arising before, on or after the Effective Date, including without limitation, making any filings and taking all actions necessary after the Effective Date to achieve full ISRA compliance;

(i) all liabilities and obligations for which Buyer is expressly responsible pursuant to Section 7.10(c); and

(j) all other liabilities accruing, arising out of or relating primarily to the conduct or operation of the Business or the ownership or use of the Purchased Assets prior to, from and after the Effective Time.

Section 2.5. Excluded Liabilities. Seller acknowledges that the Assumed Obligations shall not include the following liabilities, obligations and commitments of Seller (collectively, the "Excluded Liabilities"):

(a) any liabilities or obligations of Seller and its Affiliates related to or arising out of the Excluded Assets or the Retained Business;

(b) any liabilities or obligations in respect of Pre-Closing Taxes;

(c) except as otherwise expressly provided in Section 7.10(c), Section 7.10(d), Section 7.11(d) or Section 7.11(e), any liabilities under or relating to any Benefit Plan;

(d) all intercompany payables;

(e) any liabilities or obligations arising from or related to the Other Indemnified Matters, except to the extent contemplated by the common interest agreement to be entered into by Buyer and Seller as contemplated by Schedule 7.13(b);

(f) any liabilities or obligations of Seller arising under or in connection with this Agreement, the Ancillary Agreements, any certificate or other document delivered in connection in herewith, and any of the transactions contemplated hereby and thereby;

(g) any liabilities or obligations of Seller and its Affiliates in respect of indebtedness for borrowed money or any other notes payable, including any Tax-Exempt Bonds, except for liabilities included in Working Capital;

(h) except to the extent otherwise specifically provided herein, all transaction expenses incurred in connection with this Agreement by Seller, including costs incurred in connection with the process of selling the Business or the negotiation, preparation or execution of this Agreement or the Ancillary Agreements or the performance or consummation of the transactions contemplated hereby or thereby, including all fees and expenses of counsel, advisors, consultants, investment bankers, accountants, auditors and any other experts; and

(i) any liabilities or obligations of Seller or any of its Affiliates incurred prior to the Effective Time with respect to any present or former employees, officers, directors, retirees, independent contractors or consultants of the Business (including the Business Employees), including any beneficiaries or dependents of such individuals, for any claims for wages or other benefits, bonuses, accrued vacation, workers' compensation, severance, retention, termination or other payments or benefits, except liabilities and obligations as are specifically included in the Working Capital or for which Buyer is expressly responsible pursuant to Section 7.10(c).

Section 2.6. Consents to Assignment. Notwithstanding anything else contained herein, if any consent has not been obtained with respect to the assignment to Buyer of a

Purchased Business Agreement for which consent is required or which contains a prohibition against assignment as of the Effective Date, or if an attempted assignment of any such Purchased Business Agreement would be ineffective, (a) Seller shall, as soon as reasonably practicable after becoming aware of either circumstance through receipt of notice thereof or otherwise, advise Buyer thereof and (b) after the Effective Date, Seller shall cooperate with Buyer to implement reasonable arrangements (taking into account Seller's remaining assets and personnel following the Closing), to the extent reasonably practicable and permissible under such Purchased Business Agreement, so that Buyer will receive the benefits and be responsible for the obligations under such Purchased Business Agreement, at the sole cost and expense of Buyer.

ARTICLE III

PURCHASE PRICE

Section 3.1. Purchase Price. As consideration for the sale, assignment, transfer, conveyance and delivery of the Purchased Assets pursuant to this Agreement:

(a) on the Effective Date, Buyer agrees to pay (or cause to be paid) to Seller (or to one or more Affiliates of Seller), in cash, amounts equal to (i) one billion six hundred and ninety million dollars ($1,690,000,000) (the "Base Purchase Price") plus (ii) the Estimated Closing Working Capital ((i) and (ii), collectively, the "Effective Date Payment"), pursuant to Section 4.2;

(b) on the Effective Date, Buyer agrees to assume the Assumed Obligations; and

(c) after the Effective Date, Buyer and Seller agree to make the adjustments and payments described in Section 3.2, as applicable.

Section 3.2. Working Capital Adjustment.

(a) Not less than five (5) Business Days prior to the anticipated Effective Date, Seller shall deliver to Buyer a statement setting forth in reasonable detail the Estimated Closing Working Capital (the "Estimated Closing Statement"). The Estimated Closing Statement shall be prepared by Seller in accordance with GAAP as modified by the methods, principles and categories that were used to prepare the sample calculation of the Working Capital as of June 30, 2017 as set forth on Schedule 1.1(g) (the "Principles"); provided, that, in the event of a conflict between GAAP and the Principles, the Principles shall prevail; provided, however, that all amounts included in the Estimated Closing Statement shall reflect Seller's good faith and reasonable estimates as of the point in time reflected therein based on all information then available to Seller.

(b) Within sixty (60) days after the Effective Date, Buyer shall prepare and deliver to Seller a statement (the "Closing Statement"), setting forth the Working Capital as of the close of business on the last Business Day prior to the Effective Date (the "Closing Working Capital") calculated in accordance with the Principles.

(c) During the thirty (30) day period following Seller's receipt of the Closing Statement, Seller shall be permitted to review the working papers of Buyer relating to the Closing Statement. The Closing Statement shall become final and binding upon the Parties on the 30th day following delivery thereof to Seller, unless Seller gives written notice of its disagreement with the Closing Statement (the "Notice of Disagreement") to Buyer prior to such date. Any Notice of Disagreement shall be signed by Seller and shall (i) specify in reasonable detail the nature of any disagreement so asserted, (ii) only include disagreements based on mathematical errors, or based on the Closing Working Capital not being calculated in accordance with Section 3.2 or the Principles, and (iii) specify what Seller reasonably believes is the correct amount of the Closing Working Capital, including a reasonably detailed description of the adjustments applied to the Closing Statement in calculating such amount. If the Notice of Disagreement is received in a timely manner, then the Closing Statement (as revised in accordance with this sentence), shall become final and binding upon Buyer and Seller on the earlier of (i) the date Seller and Buyer resolve in writing any differences they have with respect to the matters specified in the Notice of Disagreement or (ii) the date any disputed matters are finally resolved in writing by the Accounting Firm as provided below. During the thirty (30) day period following the delivery of the Notice of Disagreement, if any, (i) Buyer and Seller shall seek in good faith to resolve in writing any differences that they may have with respect to the matters specified in the Notice of Disagreement and (ii) Buyer shall have access to the working papers of Seller prepared in connection with the Notice of Disagreement. At the end of such thirty (30) day period, if Buyer and Seller have not resolved their disagreement, Buyer and Seller shall submit to an independent accounting firm (the "Accounting Firm") for resolution any matters that remain in dispute and which were properly included in the Notice of Disagreement together with a brief written explanation of each Party's position. The Accounting Firm shall be independent and mutually agreeable to both Buyer and Seller. Buyer and Seller shall jointly instruct the Accounting Firm that it (i) shall review only the matters that were properly included in the Notice of Disagreement which remain unresolved, (ii) shall make its determination in accordance with the requirements of this Section 3.2, and (iii) shall render its decision within twenty (20) days from the submission of such matters. Judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the Party against which such determination is to be enforced. The fees, costs and expenses of the Accounting Firm incurred pursuant to this Section 3.2 shall be borne fifty percent (50%) by Seller and fifty percent (50%) by Buyer.

(d) The fees, costs and expenses of Buyer incurred in connection with its preparation of the Closing Statement, its review of any Notice of Disagreement, and its preparation of any written brief submitted to the Accounting Firm shall be borne by Buyer, and the fees, costs and expenses of Seller incurred in connection with its preparation and review of the Closing Statement, its preparation and certification of any Notice of Disagreement and its preparation of any written brief submitted to the Accounting Firm shall be borne by Seller.

(e) If the Closing Working Capital exceeds the Estimated Closing Working Capital, Buyer shall, or if the Estimated Closing Working Capital exceeds the Closing Working Capital, Seller shall, within ten (10) Business Days after the Closing Statement becomes final and binding on the Parties, make payment by wire transfer of immediately available funds of the amount of such difference, together with interest thereon at a rate equal to the rate of interest from time to time announced publicly by Citibank, N.A., as its prime rate, calculated on the basis

of the actual number of days elapsed divided by three hundred sixty five (365), from (and including) the Effective Date through (but not including) the date of payment, to an account designated in writing by the other Party. The difference between the Closing Working Capital and the Estimated Closing Working Capital shall be allocated among the Purchased Assets in accordance with the Allocation Schedule (set forth in Section 7.9(a) below).

(f) The Closing Statement, either as accepted or deemed to have been accepted by Seller or as adjusted and resolved in the manner herein provided, shall fix the Closing Working Capital, and the payment to be made as discussed in Section 3.2(e).

(g) The scope of the disputes to be resolved by the Accounting Firm shall be limited to whether there were mathematical errors in the Closing Statement and whether the calculation of the Closing Working Capital was done in accordance with this Agreement and the Principles, and the Accounting Firm is not to make any other determination.

(h) Following the Closing, neither Buyer nor Seller shall take any action with respect to the accounting books and records of the Business on which the Closing Statement is to be based that is intended to obstruct, prevent or otherwise affect the results of the procedures set forth in this Section 3.2 (including the amount of the Closing Working Capital or any other amount included in the preparation of the Closing Statement). From and after the Effective Date through the resolution of any adjustment contemplated by this Section 3.2, each of Buyer and Seller shall (i) assist, and shall cause its Affiliates to assist, the other Party, its Affiliates, accountants, advisors and other representatives in its preparation of the Closing Statement and the Estimated Closing Statement and (ii) afford to the other Party, its Affiliates, accountants, advisors and other representatives, reasonable access during normal business hours to the personnel, properties, books and records of the Business to the extent relevant to the preparation of the Closing Statement or any adjustment contemplated by this Section 3.2.

Section 3.3. No Duplication. For the avoidance of doubt, calculations of the items described in this Article III, including, without limitation, the Estimated Closing Statement and the Closing Statement, shall be calculated without duplication.

ARTICLE IV

THE CLOSING

Section 4.1. Time and Place of Closing. Upon the terms and subject to the satisfaction of the conditions contained in Article VIII of this Agreement, the closing of the purchase and sale of the Purchased Assets and assumption of the Assumed Obligations (the "Closing") shall take place at the offices of Baker Botts LLP, 30 Rockefeller Plaza, New York, New York, 10112, at 10:00 a.m., New York City time, on the third Business Day following the date on which the conditions set forth in Article VIII (other than conditions to be satisfied by deliveries at the Closing) have been satisfied or waived, or at such other place or time as the Parties may agree. The date on which the Closing occurs is referred to herein as the "Effective Date." The purchase and sale of the Purchased Assets and assumption of the Assumed Obligations will be effective as of 12:01 a.m. New York City time on the Effective Date (the "Effective Time").

Section 4.2. Closing Payment. At the Closing, Buyer will pay or cause to be paid to Seller the Effective Date Payment, by wire transfer of immediately available funds to one or more accounts provided to Buyer by Seller prior to the Closing.

Section 4.3. Seller's Closing Deliveries. Subject to Section 7.7, at or prior to the Closing, Seller will deliver an executed copy of the following to Buyer:

(a) the certificate contemplated by Section 8.2(c);

(b) the Bill of Sale, duly executed by Seller;

(c) subject to Section 7.7(b), one or more Assignments of Easement and Assignments of Lease with respect to the Leases and Conveyed Easements, duly executed by Seller;

(d) subject to Section 7.7(b), copies of all consents, waivers or approvals obtained by Seller, in form and substance reasonably acceptable to Buyer, from third parties in connection with this Agreement and the transactions contemplated hereby, as set forth on Schedule 4.3(d), including all the Seller Required Regulatory Approvals;

(e) one or more Deeds in recordable form conveying title to the Owned Real Property to Buyer, duly executed by Seller;

(f) a certificate of non-foreign status duly executed by Seller that satisfies the requirements of Treasury Regulations section 1.1445-2(b)(2);

(g) an assignment of the Assigned IP in a form reasonably acceptable to Buyer, executed by Seller; and

(h) such other agreements, documents, instruments, and writings as are required to be delivered by Seller at or prior to the Effective Date pursuant to this Agreement.

Section 4.4. Buyer's Closing Deliveries. At or prior to the Closing, Buyer will deliver an executed copy of the following to Seller:

(a) the Effective Date Payment;

(b) the certificate contemplated by Section 8.3(c);

(c) the Bill of Sale, duly executed by Buyer;

(d) subject to Section 7.7(b), one or more Assignments of Easement and Assignments of Lease with respect to the Leases and Conveyed Easements, duly executed by Buyer;

(e) subject to Section 7.7(b), copies of all consents, waivers or approvals obtained by Buyer, in form and substance reasonably acceptable to Seller, from third parties in connection with this Agreement and the transactions contemplated hereby, as set forth on

Schedule 4.4(e), including the Buyer Required Regulatory Approvals, and as otherwise reasonably requested by Seller;

(f) one or more Deeds in recordable form conveying title to the Owned Real Property to Buyer, duly executed by Buyer;

(g) an assignment of the Assigned IP in a form reasonably acceptable to Seller, executed by Buyer; and

(h) such other agreements, documents, instruments and writings as are required to be delivered by Buyer at or prior to the Effective Date pursuant to this Agreement.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Seller Disclosure Schedules, Seller hereby represents and warrants to Buyer as follows:

Section 5.1. Organization and Good Standing. Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of New Jersey and has all requisite corporate power and authority to own, lease, and operate the Purchased Assets and to carry on the Business as presently conducted. Seller is duly qualified or licensed to do business as a foreign corporation and is in good standing in each jurisdiction in which the conduct of the Business, or the ownership or operation of any Purchased Assets, by Seller makes such qualification necessary, except, in each case, for any such failures that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.2. Authority and Enforceability. Seller has all corporate power and authority, and has taken all required action on its part, necessary to execute and deliver, and to perform its obligations under, and, subject to the satisfaction of the closing conditions, to consummate the transactions contemplated by, this Agreement and the Ancillary Agreements. This Agreement has been duly and validly executed and delivered by Seller, and (assuming the due execution and delivery by Buyer) constitutes a valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, or other similar laws affecting or relating to enforcement of creditors' rights generally or general principles of equity. At the Closing, each of the Ancillary Agreements to which Seller is contemplated to be a party will be duly and validly executed and delivered by Seller and will (assuming the due execution and delivery by each other Party thereto) constitute a valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, or other similar laws affecting or relating to enforcement of creditors' rights generally or general principles of equity.

Section 5.3. No Conflicts; Consents. Except as set forth on Schedule 5.3, neither the execution, delivery and performance by Seller of this Agreement or any Ancillary Agreement, nor the consummation of the transactions contemplated hereby or thereby, will:

(a) violate or conflict with any of Seller's Governing Documents in any material respect;

(b) assuming that all of the Buyer Required Regulatory Approvals and Seller Required Regulatory Approvals have been made or obtained, and all conditions therein which are then required to be satisfied have in fact been satisfied, and any waiting periods thereunder have terminated or expired, as the case may be, violate any Law or Order applicable to Seller or any of the Purchased Assets, except, for any such violations that (i) would not reasonably be expected to materially and adversely affect Buyer's operation of the Business or use of the Purchased Assets in the manner currently used or (ii) arise as a result of any facts or circumstances relating particularly to Buyer or any of its Affiliates;

(c) violate, conflict with, result in a breach of, require any consent or approval of, or (with or without notice or lapse of time or both) constitute a default under or pursuant to any Purchased Business Agreement, except, for any such violations, conflicts, breaches, consents, approvals, defaults or other occurrences that (i) would not reasonably be expected to materially and adversely affect Buyer's operation of the Business or use of the Purchased Assets in the manner currently used or (ii) arise as a result of any facts or circumstances relating particularly to Buyer or any of its Affiliates; or

(d) other than the Seller Required Regulatory Approvals, require any declaration, filing, or registration by Seller or any of its GAS Affiliates with, or notice by Seller or any of its GAS Affiliates to, or authorization, consent, or approval with respect to Seller or any of its GAS Affiliates of, any Governmental Entity, except for any such declarations, filings, registrations, notices, authorizations, consents, or approvals that (i) would not reasonably be expected to materially and adversely affect Buyer's operation of the Business or use of the Purchased Assets in the manner currently used or (ii) arise as a result of any facts or circumstances particular to Buyer or any of its Affiliates.

Section 5.4. Financial Information.

(a) Schedule 5.4(a) sets forth the following financial statements (the "Financial Statements") relating to the Business: (A) an audited balance sheet of the Business as at December 31, 2016, December 31, 2015 and December 31, 2014, (B) an audited income statement for the fiscal years ended December 31, 2016, December 31, 2015 and December 31, 2014 and (C) the unaudited balance sheet of the Business as at June 30, 2017 (the "Balance Sheet") and the related statements of results of operations. Each of the Financial Statements have been prepared in accordance with GAAP, subject, in the case of the interim financial statements, to normal and recurring year-end adjustments and the absence of notes, and fairly present, in all material respects, the financial condition and results of operation of the Business as of the dates thereof or for the periods covered thereby.

(b) Except as set forth on Schedule 5.4(a), neither Seller nor any of its Affiliates has any liability, absolute or contingent, related to the Purchased Assets or the Business of any nature, whether or not required by GAAP to be reflected in a balance sheet relating primarily to the Business, other than liabilities, obligations or contingencies (i) that are accrued or reserved against in the Financial Statements or (ii) that were incurred in the ordinary

course of business consistent with past practice since June 30, 2017 that are not, individually or in the aggregate, a Material Adverse Effect.

Section 5.5. Absence of Certain Changes. Except as set forth in Schedule 5.5, since June 30, 2017 to the date of this Agreement, the Business has been operated, in all material respects, in the ordinary course of business consistent with past practice of the Business, and no change or event has occurred which, either individually or in the aggregate, has resulted, or with the passage of time, would reasonably be expected to result in a Material Adverse Effect.

Section 5.6. Title. Upon consummation of the transactions contemplated by this Agreement and receipt of all consents and approvals disclosed on Schedule 5.3, Seller will have assigned, transferred and conveyed to Buyer good and marketable title to, or a valid leasehold interest in, the material tangible Purchased Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), except as would not reasonably be expected to materially and adversely affect Buyer's operation of the Business or use of the Purchased Assets in the manner currently used.

Section 5.7. Material Contracts.

(a) Schedule 5.7(a) lists all of the following Purchased Business Agreements (the "Material Contracts"):

(i) each agreement, ordinance, or other grant of any municipal, town or county franchise relating to the Business (the "Franchises"), except for such Franchises, the absence of which would not, individually or in the aggregate, have a Material Adverse Effect;

(ii) all agreements between Seller and one or more (A) Business Employees or (B) independent non-Affiliate third party consultants or contractors individually involving expenditures in excess of $3,000,000 in any one year;

(iii) all leases, subleases, licenses or other agreements (which, for the avoidance of doubt, shall not include Easements) by which any right to use or occupy any interest in real property is granted by or to Seller, except for such leases, subleases, licenses or other agreements, the existence or absence of which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and that do not individually involve expenditures in excess of $3,000,000 in any one (1) year (excluding sales orders and purchase orders issued in the ordinary course of business);

(iv) all other agreements that individually involve expenditures in excess of $3,000,000 in any one (1) year;

(v) all agreements providing for the extension of credit by Seller, other than (A) the extension of credit to customers in the ordinary course of business consistent with past practice, and (B) normal employee advances and other customary extensions of credit in the ordinary course that are not material in amount;

(vi) all agreements for, or relating to, indebtedness, or pursuant to which any Encumbrance is granted in or to any of the Purchased Assets;

(vii) all agreements granting to any Person any right or option to purchase or otherwise acquire any of the Purchased Assets, including rights of first option, rights of first refusal, or other preferential purchase rights;

(viii) all agreements that, upon consummation of the transactions contemplated hereby, would limit the ability of Buyer to compete in any line of business or with any Person or in any geographic area or during any period of time; and

(ix) all partnership, joint venture and joint ownership agreements, and all similar material agreements (however named) relating to the Business, Purchased Assets or Assumed Obligations involving a sharing of assets, profits, losses, costs or liabilities.

(b) To the Knowledge of Seller, each Material Contract is valid and binding in accordance with its terms and is in full force and effect. Seller has made available to Buyer copies of each Material Contract together with all amendments, waivers, or other changes thereto, which are correct and complete in all material respects. Except as set forth on Schedule 5.7(b), neither Seller or, to the Knowledge of Seller, any other party to a Material Contract: (A) is in default under or in breach of any Material Contract in any material respect or (B) has repudiated or is challenging any material provision of any Material Contract.

Section 5.8. Legal Proceedings. Except as set forth on Schedule 5.8, there are no existing or, to Seller's Knowledge, threatened in writing, material Claims relating to the Business, the Purchased Assets, or the Assumed Obligations or the transactions contemplated by this Agreement.

Section 5.9. Compliance with Law; Orders; Permits.

(a) Except as set forth on Schedule 5.9(a), Seller is, and at all times since January 1, 2015 has been, in compliance with all Laws, Orders and Permits applicable to the Purchased Assets or the Business, except for violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except as set forth on Schedule 5.9(b), Seller possesses all Permits necessary to own and operate the Business and Purchased Assets as currently operated, all of such Permits are in full force and effect, and no appeal or other proceeding is pending or, to Seller's Knowledge, threatened in writing to revoke any such Permits, except where the failure to have such Permit or for such Permit to be in effect would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.10. Real Property.

(a) Schedule 2.2(a)(i) sets forth a true and correct legal description of all Owned Real Property and Leased Real Property.

(b) Seller has on the date of this Agreement (and immediately prior to the Effective Time will have) good and marketable fee simple title to the Owned Real Property and all improvements thereon and good and valid leasehold interests in the Leased Real Property and all improvements thereon (to the extent leased by Seller), free and clear of all Encumbrances except Permitted Encumbrances and except as would not reasonably be expected to materially and adversely affect Buyer's operation of the Business or use of the Purchased Assets in the manner currently used. Except as otherwise provided in Schedule 2.2(a)(i), none of the Owned Real Property is leased or licensed for use by a third party. On the date of this Agreement Seller is (and immediately prior to the Effective Time, Seller will be) the owner of the material Conveyed Easements. To the Knowledge of Seller, the Conveyed Easements, together with the Owned Real Property, the Leased Real Property and all other Easements appurtenant to the Owned Real Property, constitute materially all interests in real property that are currently required for the operation of the Business. To the Knowledge of Seller, there are no unrecorded outstanding options, rights of first offer or rights of first refusal to purchase the Owned Real Property, the Conveyed Easements, or any portion thereof or interest therein.

(c) All of the Leases are in full force and effect and (i) Seller is not in default (and has not taken or failed to take any action which with notice, the passage of time, or both, would constitute a default) under the terms of any Lease and, to the Knowledge of Seller, Seller has not received written notice of material default under any Lease which has not been cured within the applicable grace periods and (ii) to the Knowledge of Seller, no landlord is in material default under any Lease.

(d) There is no pending condemnation, eminent domain or similar proceeding affecting the Owned Real Property or the Leased Real Property or any portion thereof, and, to the Seller's Knowledge, Seller has not received any written notice that any such proceeding is contemplated. To the Knowledge of Seller, there is no pending condemnation or similar proceeding affecting any Conveyed Easement (or any portion thereof) and Seller has not received any written notice that any such proceeding is contemplated.

(e) To the Knowledge of Seller, Seller has not received any written notice of existing, pending or threatened zoning, building code or other moratorium proceedings, or similar matters which would adversely affect the ability of Buyer to operate the Business as currently conducted in any material respect. As of the date hereof, neither the whole nor any material portion of the Real Property has been damaged or destroyed by fire or other casualty.

Section 5.11. Environmental Matters. Except as set forth in Schedule 5.11 and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:

(a) To the Seller's Knowledge, all Environmental Permits that are necessary for the operation of the Business as it is currently being operated have been obtained and are in full force and effect, and to the Seller's Knowledge, the Purchased Assets, the Business, and Seller (with respect to the Purchased Assets and Business) are currently in compliance with the requirements of all Environmental Laws.

(b) Except as set forth on Schedule 5.11(b), neither Seller nor any Affiliate of Seller has, since January 1, 2015, nor to the Seller's Knowledge for any period prior to January 1, 2015, entered into or been subject to any consent decree, agreement, or Order with any Governmental Entity, or received any written notice or report regarding any actual or alleged violation of Environmental Laws or any liabilities or potential liabilities that has not been resolved, including any investigatory, remedial, or corrective obligations, arising under Environmental Laws, in each case relating to the ownership or operation of the Business or the Purchased Assets.

(c) To the Seller's Knowledge, during Seller's ownership, possession or operation of the Real Property, there is and has been no Release from, in, on, or beneath any of the Real Property that could form a basis for an Environmental Claim.

(d) There are no Environmental Claims pending or, to the Seller's Knowledge, threatened that relate to the Purchased Assets or the Business.

Notwithstanding anything else contained herein, the representations and warranties contained in this Section 5.11 are the only representations and warranties being made with respect to compliance with or liability under Environmental Laws, Environmental Permits, Hazardous Materials or with respect to Environmental Claims or any environmental, health or safety matter related to the Business, the Purchased Assets or Seller's ownership or operation thereof.

Section 5.12. Taxes. Except as set forth on Schedule 5.12:

(a) All material Tax Returns required to be filed by Seller or any Affiliate of Seller with respect to the Business or the Purchased Assets have been filed in a timely manner. Each such Tax Return is correct and complete in all material respects. All Taxes shown as due and payable on such Tax Returns have been paid in full.

(b) No material claim, audit, action, suit, proceeding, investigation or other examination with respect to Taxes (each, a "Tax Contest") is pending or, to the Seller's Knowledge, threatened with respect to the Business or Purchased Assets.

(c) Neither Seller nor any Affiliate of Seller has granted any waiver of any statute of limitations regarding, or any extension of any period for the assessment of, any material amount of Tax relating to the Business or the Purchased Assets.

(d) Other than Permitted Encumbrances, there are no liens upon the Business or any of the Purchased Assets with respect to any material amount of Taxes.

(e) Seller has collected all material amounts of Taxes that it has been required by Law to collect from customers and employees of the Business.

(f) Buyer will not, as a result of the transactions contemplated by this Agreement, become a party to or assume liability under any tax sharing, tax allocation, or similar agreement (excluding, for the avoidance of doubt, this Agreement).

(g) Except for the express representations and warranties made by Seller in this Section 5.12 and Section 5.13, Seller makes no representation or warranty, express or implied, with respect to Taxes or Tax matters.

Section 5.13. Employee Benefits.

(a) Schedule 5.13(a) lists each employee benefit plan (as such term is defined in section 3(3) of ERISA) and each other plan, program, policy, contract, agreement or arrangement providing compensation or benefits to any Business Employee that is maintained by, contributed to, sponsored by or required to be contributed to by Seller or any of its ERISA Affiliates as of the date hereof (each, a "Benefit Plan").

(b) With respect to each Benefit Plan, Seller has made available to Buyer copies of each of the following documents: (i) each Benefit Plan (including all amendments thereto); (ii) the most recent summary plan description, together with each summary of material modifications, if required under ERISA, with respect to such Benefit Plan; (iii) the most recent annual report (Form 5500, including schedules and attachments) filed with the United States Internal Revenue Service or Department of Labor, if required under ERISA; and (iv) the most recent determination letter received from the United States Internal Revenue Service with respect to each Benefit Plan that is intended to be qualified under section 401(a) of the Code.

(c) Each Benefit Plan that is intended to be qualified under section 401(a) of the Code has received, from the Internal Revenue Service, a favorable determination letter (or in the case of a master or prototype plan, a favorable opinion letter or in the case of a volume submitter plan, a favorable advisory letter) as to its qualification under Section 401(a) of the Code, and nothing has occurred that would be reasonably expected to adversely affect the qualified or exempt status of such Benefit Plan or trust, nor will the consummation of the transactions provided for by this Agreement have any such effect.

(d) Each Benefit Plan is being, and has been, operated and administered in all material respects in accordance with ERISA, the Code and all other applicable Laws and regulations thereunder and in accordance with its terms, except to the extent a failure to so operate or administer a Benefit Plan would not result in Buyer or any of its Affiliates having any liability.

(e) Schedule 5.13(e) sets forth a list of collective bargaining agreements, as well as any side agreements, amendments or memoranda relating to the Transferred Employees (the "Labor Agreement").

Section 5.14. Employment Matters.

(a) As of the Effective Date, all compensation, including wages, commissions and bonuses payable to employees, independent contractors or consultants of the Business for services performed on or prior to the Effective Date will have been paid in full or will be paid in full when due.

(b) Seller has complied with the WARN Act, to the extent applicable, except to the extent such failure to comply would not result in Buyer or any of its Affiliates having any liability.

Section 5.15. No Undisclosed Liabilities. Seller does not have any liabilities or obligations with respect to the Business that would be required to be reflected on a balance sheet prepared in accordance with GAAP consistently applied, except those (a) which are adequately reflected or reserved against in the Financial Statements (or disclosed in any notes thereto), (b) which have been incurred in the ordinary course of business consistent with past practice since June 30, 2017, (c) that have not been and would not reasonably be expected to be, individually or in the aggregate, material to the Business and (d) consisting of future performance or payment obligations (other than relating to a breach or default) under the Purchased Business Agreements.

Section 5.16. Brokers and Finders. No broker, finder, or other Person is entitled to any brokerage fees, commissions, or finder's fees for which Buyer or the Business could become liable or obligated in connection with the transactions contemplated hereby by reason of any action taken by Seller or any of its Affiliates.

Section 5.17. Exclusivity of Representations and Warranties. None of Seller, any of its Affiliates or any of Seller's Representatives is making any representation or warranty of any kind or nature whatsoever, oral or written, express or implied (including, but not limited to, any relating to (a) projections, estimates or budgets delivered or made available to Buyer (or any of its Affiliates, officers, directors, employees or representatives) of the results of operations (or any component thereof), cash flows or financial condition (or any component thereof), of the Business; (b) future business, operations, revenues or profits of the Business; and (c) maintenance, repair, condition, design, performance, value, merchantability or fitness for any particular purpose of the Purchased Assets), except for those representations and warranties expressly set forth in this Article V (as qualified by the Seller Disclosure Schedules), and Seller hereby disclaims any such other representations or warranties. Subject to the terms of this Agreement and the representations and warranties of Seller contained in this Article V, the Purchased Assets, the Business and the Assumed Obligations are being acquired and assumed by Buyer on an "as is, where is" basis and in their present condition, and Buyer shall rely solely upon its own examination thereof and the representations and warranties set forth in this Article V. None of Seller, any of its Affiliates or any of Seller's Representatives shall have any liability or responsibility based upon any information provided or made available or statements made or omissions therefrom to Buyer, its Affiliates or their respective Representatives, except as and only to the extent expressly set forth in this Agreement (as qualified by the Seller Disclosure Schedules).

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller:

Section 6.1. Organization and Good Standing. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of New Jersey and

has all requisite corporate power and authority to own its assets and to carry on its business as presently conducted. As of the Closing, Buyer will be duly qualified or licensed to do business as a foreign corporation and is in good standing in each jurisdiction in which the conduct of the Business, or the ownership or operation of any of the Purchased Assets, by Buyer makes such qualification necessary, except, in each case, for any such failures that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or consummate the transactions contemplated hereby on a timely basis.

Section 6.2. Authority and Enforceability. Buyer has all corporate power and authority, and has taken all required corporate action on its part, necessary to execute and deliver, and to perform its obligations under, and, subject to the satisfaction of the closing conditions, to consummate the transactions contemplated by, this Agreement and the Ancillary Agreements. This Agreement has been duly and validly executed and delivered by Buyer, and (assuming the due execution and delivery by Seller) constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, or other similar laws affecting or relating to enforcement of creditors' rights generally or general principles of equity. At the Closing, the Ancillary Agreements to which Buyer is contemplated to be a party will be duly and validly executed and delivered by Buyer and will (assuming the due execution and delivery by each other Party thereto) constitute a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, or other similar laws affecting or relating to enforcement of creditors' rights generally or general principles of equity.

Section 6.3. No Conflicts; Consents. Neither the execution, delivery and performance by Buyer of this Agreement or any Ancillary Agreement, nor the consummation of the transactions contemplated hereby or thereby, will:

(a) (i) violate or conflict with any of Buyer's Governing Documents; (ii) assuming that all of the Buyer Required Regulatory Approvals and Seller Required Regulatory Approvals have been made or obtained, and all conditions therein which are then required to be satisfied have in fact been satisfied, and any waiting periods thereunder have terminated or expired, as the case may be, violate any Law or Order applicable to Buyer, or (iii) violate, conflict with, result in a breach of, require any consent or approval of, or (with or without notice or lapse of time or both) constitute a default under or pursuant to, any contract to which Buyer is a party, except, in the case of clauses (ii) and (iii), for any such violations, conflicts, breaches, consents, approvals, defaults or other occurrences (A) that would not reasonably be expected to have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or consummate the transactions contemplated hereby on a timely basis or (B) that arise as a result of any facts or circumstances relating to Seller or its Affiliates; or

(b) other than the Buyer Required Regulatory Approvals, require any declaration, filing, or registration by Buyer or any of its Affiliates with, or notice by Buyer or any of its Affiliates to, or authorization, consent, or approval with respect to Buyer or any of its Affiliates of, any Governmental Entity, except for any such declarations, filings, registrations, notices, authorizations, consents, or approvals (i) the failure of which to obtain or make would

not reasonably be expected to have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or consummate the transactions contemplated hereby on a timely basis or (ii) that arise as a result of any facts or circumstances relating to Seller or its Affiliates unrelated to the Business, the Purchased Assets or the Assumed Obligations.

Section 6.4. Financial Capability. Buyer (a) has or will have at the Closing sufficient funds available to pay the Purchase Price and any fees, costs and expenses incurred by Buyer in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, (b) has, or at the Closing will have, the resources and capabilities (financial or otherwise) to perform its other obligations hereunder and under each Ancillary Agreement; and (c) has not incurred, and prior to the Closing will not incur, any obligation, commitment, restriction, or liability of any kind, which would impair or adversely affect such resources and capabilities. Notwithstanding anything to the contrary contained herein, the Parties acknowledge and agree that it shall not be a condition to the obligations of Buyer to consummate the transactions contemplated hereby that Buyer have sufficient funds for payment of the Purchase Price.

Section 6.5. Brokers and Finders. No broker, finder, or other Person is entitled to any brokerage fees, commissions, or finder's fees for which Seller or its Affiliate could become liable or obligated in connection with the transactions contemplated hereby by reason of any action taken by Buyer or any of its Affiliates.

Section 6.6. Legal Proceedings. There are no pending or, to Buyer's knowledge, threatened, Claims that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the ability of Buyer to perform its obligations under this Agreement or any Ancillary Agreement or consummate the transactions contemplated hereby or thereby on a timely basis.

Section 6.7. Investigation by Buyer. Buyer has undertaken an independent review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Business and has performed all due diligence that it has deemed necessary to perform concerning the Business, the Purchased Assets, and the Assumed Obligations in connection with its decision to enter into this Agreement and the Ancillary Agreements and to consummate the transactions contemplated hereby and thereby and acknowledges that Buyer and Buyer's Representatives have been provided access to the personnel, properties, premises and records of Seller for such purpose. In entering into this Agreement, Buyer has relied solely upon its own investigation and analysis, and Buyer:

(a) acknowledges that none of Seller or any of its Affiliates or any of Seller's Representatives makes or has made any representation or warranty, of any kind or nature whatsoever, oral or written, express or implied (including, but not limited to, any relating to (a) projections, estimates or budgets delivered or made available to Buyer (or any of its Affiliates, officers, directors, employees or representatives) of, except as set forth in Section 5.4, the future results of operations (or any component thereof), cash flows or financial condition (or any component thereof), of the Business; (b) future business, operations, revenues or profits of the Business; (c) maintenance, repair, condition, design, performance, value, merchantability or fitness for any particular purpose of the Purchased Assets; or (d) as to the accuracy or

completeness of any of the information provided or made available to Buyer or Buyer's Representatives), except for those representations and warranties expressly set forth in Article V of this Agreement (as qualified by the Seller Disclosure Schedules), and Seller hereby disclaims any such other representations or warranties;

(b) agrees, to the fullest extent permitted by applicable Law, that none of Seller or any of its Affiliates or any of Seller's Representatives shall have any liability or responsibility whatsoever to Buyer on any basis based upon any information provided or made available, or statements made, to Buyer or Buyer's Representatives (including any forecasts or projected information), except that the foregoing limitations shall not apply with respect to Seller to the extent Seller has liability for indemnification pursuant to Article IX for the breach of the specific representations and warranties set forth in Article V of this Agreement (as qualified by the Seller Disclosure Schedules), but always subject to the limitations and restrictions contained herein;

(c) acknowledges that, except as expressly set forth in this Agreement, there are no representations or warranties of any kind, express or implied, with respect to the Business, the Purchased Assets or the Assumed Obligations; and

(d) none of Seller, its Affiliates or Seller's Representatives shall have any liability or responsibility based upon any information provided or made available or statements made or omissions therefrom to Buyer, its Affiliates or their respective Representatives, except as and only to the extent expressly set forth in Article V of this Agreement (as qualified by the Seller Disclosure Schedules).

ARTICLE VII

COVENANTS OF THE PARTIES

Section 7.1. Conduct of the Business.

Except (a) as expressly contemplated in this Agreement or required by applicable Law or Order; (b) for actions approved by Buyer in writing (which approval shall not be unreasonably withheld, conditioned or delayed); (c) in connection with necessary repairs due to breakdown or casualty, or other actions taken in response to a business emergency or other unforeseen operational matters; or (d) as otherwise described in Schedule 7.1 or set forth in the 2017 and 2018 budget with respect to the Business attached hereto as Schedule 7.1(d) (the "2017/2018 Budget"), during the period from the date of this Agreement to the Effective Time, Seller will, and will cause its Affiliates to, (1) operate the Business in the ordinary course consistent with past practice, (2) use commercially reasonable efforts to preserve intact the Business, and to preserve the goodwill and relationships with customers, suppliers, and others having business dealings with the Business and (3) not, without the prior written consent of Buyer:

(i) sell, lease (as lessor), transfer, or otherwise dispose of any of the Purchased Assets, other than (A) the use or sale of inventory in the ordinary course of business, or (B) the disposal of Purchased Assets having an aggregate value of less than $3,000,000 or that are no longer useful in the business;

(ii) make any material change in the levels of Inventory customarily maintained by Seller with respect to the Business;

(iii) assign, relinquish any material rights under, or amend in any material respect any of the Material Contracts;

(iv) increase the base pay or aggregate benefits provided to any Business Employees, except for increases in base pay and aggregate benefits in the ordinary course of business and consistent with past practice;

(v) fail to make capital expenditures in connection with the Business equal to or greater than 85% of the amounts specified in the 2017/2018 Budget during the time periods specified in the 2017/2018 Budget;

(vi) incur, assume or guarantee, modify or amend any indebtedness for borrowed money in connection with the Business, except for (A) unsecured current obligations in the ordinary course of business, (B) liabilities (including participation in the utility money pool) incurred in the ordinary course of business consistent with past practice, (C) remarketing of the Tax-Exempt Bonds and (D) any action with respect to any indebtedness that will not be transferred to Buyer;

(vii) sell products or services to customers on any basis other than the tariff on file with the NJBPU or contracts approved by the NJBPU other than products or services not related to the Business or the Purchased Assets; or

(viii) agree or commit to take any action which would be a violation of the restrictions set forth in this Section 7.1.

Section 7.2. Access.

(a) To the extent permitted by applicable Law, between the date of this Agreement and the Effective Date, Seller will, during ordinary business hours and upon reasonable notice: (i) give Buyer and Buyer's Representatives reasonable access to the Purchased Assets; and (ii) permit Buyer and Buyer's Representatives to make such reasonable inspections thereof as Buyer may reasonably request; provided, however, that (i) any such inspection will be conducted in such a manner as not to materially interfere with the operation of the Business or any other Person; (ii) Seller shall not be required to take any action which would constitute or result in a waiver of the attorney-client privilege or violate any of its contracts or agreements; and (iii) Seller shall not be required to supply Buyer with any information which Seller is under a legal obligation not to supply. Buyer shall indemnify and hold harmless Seller from and against any Losses incurred by Seller, its Affiliates or their Representatives by any action of Buyer or Buyer's representatives while present on any of the Purchased Assets or other premises to which Buyer is granted access hereunder (including restoring any such premises to the condition substantially equivalent to the condition such premises were in prior to any such investigation). Notwithstanding anything in this Section 7.2 to the contrary, (i) Buyer will not have access to personnel records if such access could, in Seller's good faith judgment, subject Seller to risk of liability or otherwise violate applicable Law, including the Health Insurance Portability and Accountability Act of 1996 and (ii) any inspection relating to environmental matters by or on

behalf of Buyer will be strictly limited to visual inspections and site visits commonly included in the scope of "Phase 1" level environmental inspections, and Buyer shall not have any right to perform or conduct any other investigation or inspection, including sampling or testing at, in, on, around or underneath any of the Purchased Assets.

(b) For a period of seven (7) years after the Effective Date, each Party and its representatives will have reasonable access to all of the books and records relating to the Business or the Purchased Assets in the possession of the other Party, and to the employees of the other Party, to the extent that such access may reasonably be required by such Party in connection with the Assumed Obligations or the Excluded Liabilities, or other matters relating to or affected by the operation of the Business and the Purchased Assets. Such access will be afforded by the applicable Party upon receipt of reasonable advance notice and during normal business hours, and will be conducted in such a manner as not to interfere with the operation of the business of any Party or its respective Affiliates. The Party exercising the right of access hereunder will be solely responsible for any costs or expenses incurred by either Party in connection therewith. Each Party shall retain such books and records for a period of seven (7) years from the Effective Date.

Section 7.3. Confidentiality by Buyer to Seller.

(a) For a period of two (2) years following the Closing or the termination of this Agreement, Buyer will, and will cause its Affiliates and Buyer's Representatives to, hold all Confidential Information in strict confidence and not disclose any Confidential Information to any Person other than its Affiliates and Buyer's Representatives; provided, however, that upon the Closing, the provisions of this Section 7.3 will expire with respect to any information to the extent primarily related to the Purchased Assets or the Business ("Business Confidential Information"). "Confidential Information" means all information in any form heretofore or hereafter obtained from Seller or any of Seller's Representatives or Affiliates in connection with Buyer's evaluation of the Business, the Assumed Obligations or the Purchased Assets or the negotiation of this Agreement or any Ancillary Agreement, whether pertaining to financial condition, results of operations, methods of operation or otherwise, other than information which is in the public domain through no violation of this Agreement or the Confidentiality Agreement by Buyer, its Affiliates, or Buyer's Representatives.

(b) Notwithstanding the foregoing, Buyer may disclose Confidential Information to the extent that such information is required to be disclosed by Buyer by Law or in connection with any proceeding by or before a Governmental Entity, including any disclosure, financial or otherwise, required to comply with the rules of any securities commission or exchange. In the event that Buyer believes any such disclosure is required, Buyer will give Seller notice thereof as promptly as possible and, at Seller's expense, will cooperate with Seller in seeking any protective orders or other relief as Seller may reasonably request.

(c) If the transactions contemplated hereby are not consummated, Buyer will promptly return to Seller or destroy all copies of any Confidential Information in accordance with the terms of, and as required by, the Confidentiality Agreement.

(d) If the transactions contemplated hereby are consummated, to the extent Confidential Information is Business Confidential Information, and only to such extent, the Confidentiality Agreement is hereby expressly superseded by this Section 7.3.

Section 7.4. Confidentiality by Seller to Buyer. For a period of two (2) years following the Closing, Seller shall, and shall use its commercially reasonable efforts to cause its Affiliates and Representatives and the Representatives of its respective Affiliates to hold, in confidence any and all Business Confidential Information, except to the extent that such information: (a) is or becomes generally available to the public other than as a result of a disclosure by Seller in violation of the terms of this Section 7.4; (b) was lawfully acquired by Seller, any of its Affiliates or their respective Representatives from and after the Closing from sources not known to be prohibited from disclosing such information to such Person by an obligation of confidentiality to Buyer or (c) is developed independently by Seller, any of its Affiliates or any of their respective Representatives without the use of Business Confidential Information. Notwithstanding the foregoing, Seller may disclose Confidential Information to the extent that such information is required to be disclosed by Seller by Law or in connection with any proceeding by or before a Governmental Entity, including any disclosure, financial or otherwise, required to comply with the rules of any securities commission or exchange. In the event that Seller believes any such disclosure is required, Seller will give Buyer notice thereof as promptly as possible and, at Buyer's expense, will cooperate with Buyer in seeking any protective orders or other relief as Buyer may reasonably request.

Section 7.5. Transition Services. For a period not to exceed twelve (12) months following the Closing, Seller shall, or shall cause its Affiliates to, provide to Buyer and its Affiliates such of the services currently provided by Seller or its Affiliates to the Business as Buyer may request, which services are to be provided in substantially the same manner and at the same level as such services are presently provided by Seller or its Affiliates, and Buyer and its Affiliates shall reimburse Seller and its Affiliates for such services at the fully-loaded costs as specified on Schedule 7.5.

Section 7.6. Expenses. Except for Transfer Taxes as provided in Section 7.9(h) below, Buyer shall bear sole responsibility for payment of all filing, recording, transfer, or other fees or charges of any nature in connection any Required Regulatory Approvals or otherwise payable pursuant to any provision of any Law, Order or Franchise in connection with the sale, transfer, and assignment by Seller of the Purchased Assets and the Assumed Obligations to Buyer. Except as provided in the foregoing or to the extent otherwise specifically provided herein, and irrespective of whether the transactions contemplated hereby are consummated, all other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be borne by the Party incurring such costs and expenses.

Section 7.7. Further Assurances; Wrong Pockets.

(a) Subject to the terms and conditions of this Agreement, including Section 7.8, each of the Parties will use reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper, or advisable under applicable Law to consummate and make effective the transactions contemplated hereby, including using

reasonable best efforts to obtain satisfaction of the conditions precedent to each Party's obligations hereunder.

(b) Notwithstanding anything in this Agreement or any Ancillary Agreement to the contrary, this Agreement and the Ancillary Agreements shall not constitute an agreement to transfer or assign any contract, agreement, permit, claim or right or any benefit or obligation arising thereunder or resulting therefrom if an attempted assignment thereof, without the consent of a third party, would constitute a breach or other contravention under any agreement or Law to which Seller or any of its Affiliates is a party or by which it is bound, or in any way adversely affect the rights of Seller or any of its Affiliates or, upon transfer, Buyer under such contract, agreement, permit, claim or right. Seller will use its commercially reasonable efforts to obtain, promptly following the date hereof, any and all consents of third parties required to assign to Buyer Seller's rights under the Purchased Business Agreements. Buyer agrees to take reasonable actions to cooperate with Seller in Seller's efforts to obtain any consents of third parties required to assign to Buyer Seller's rights under the Purchased Business Agreements, including the submission of reasonable, financial or other information concerning Buyer and the execution of any assumption agreements or similar documents reasonably requested by a third party provided that such agreements or documents are consistent with the terms hereof. To the extent that, notwithstanding its commercially reasonable efforts, Seller is unable to obtain any such required consent prior to the Closing, and as a result thereof Buyer shall be prevented by such third party from receiving the rights and benefits with respect to such Purchased Asset intended to be transferred hereunder, or if any attempted assignment would adversely affect the rights of Seller thereunder so that Buyer would not in fact receive all such rights or Seller would forfeit or otherwise lose the benefit of rights that Seller is entitled to retain, Seller and Buyer shall cooperate to resolve the matter in accordance with Section 2.6. Without in any way limiting the conditions to the Closing set forth in Article VIII, Buyer agrees that other than liability arising from a failure to comply with this Section 7.7 and Section 7.8 or a breach of Seller's representations and warranties set forth in Article V hereof, Seller shall not have any liability to Buyer arising out of the failure to obtain any such consent that may be required in connection with the transactions contemplated by this Agreement or the Ancillary Agreements or because of any circumstances resulting therefrom.

(c) To the extent that, notwithstanding its commercially reasonable efforts, Seller is unable to meet ISRA property transfer requirements prior to the Effective Date for any Real Property, such Real Property shall be excluded from the Purchased Assets at Closing ("Holdback Property") and leased to the Buyer until ISRA property transfer requirements are satisfied. Seller and Buyer shall cooperate in developing a lease for any Holdback Property to reflect the rights, benefits, and obligations that would otherwise have applied as of the Closing to the maximum extent feasible and shall close on the transfer of the Holdback Property to Buyer as soon as commercially reasonable following satisfaction of ISRA property transfer requirements.

(d) Seller shall, and shall cause its Affiliates to, execute and deliver such further instruments of conveyance and transfer and take such additional action as Buyer may reasonably request to effect, consummate, confirm or evidence the sale and transfer to Buyer of the Purchased Assets and the other transactions contemplated by this Agreement. Buyer shall, and shall cause its Affiliates to, execute and deliver such further instruments of assumption and

take such additional action as Seller may reasonably request to effect, consummate, confirm or evidence the transactions contemplated hereby.

(e) Without limiting the generality of the foregoing, if at any time following the Closing it becomes apparent that any Purchased Asset (including any contract) that should have been transferred to Buyer pursuant to this Agreement was not so transferred, or any Excluded Asset was inadvertently transferred to Buyer, Seller shall, and shall cause its applicable Affiliates to, or Buyer shall, and shall cause its Affiliates to, as applicable, in each case as promptly as practicable, (i) transfer all rights, title and interest in (A) such Purchased Asset to Buyer or as Buyer may direct, or (B) such Excluded Asset to Seller or as Seller may direct, as applicable, in each case for no additional consideration; and (ii) hold its right, title and interest in and to such Purchased Asset or Excluded Asset, as applicable, in trust for the applicable transferee until such time as such transfer is completed.

Section 7.8. Governmental Approvals.

(a) As soon as reasonably practicable following the date hereof, Seller and Buyer will each file or cause to be filed with the NJBPU, joint applications for approval of the transactions contemplated hereby. Seller and Buyer will, and will cause their respective Affiliates to, cooperate with each other and use reasonable best efforts to (i) promptly prepare and file all necessary applications, notices, petitions, and filings and execute all agreements and documents, to the extent required by Law or Order for consummation of the transactions contemplated by this Agreement (including the Required Regulatory Approvals and compliance with ISRA), (ii) obtain the transfer to Buyer of all Transferable Permits and the reissuance to Buyer of all Permits that are not Transferable Permits, and (iii) obtain the consents, approvals, and authorizations of all Governmental Entities to the extent required by Law or Order for consummation of the transactions contemplated by this Agreement (including the Required Regulatory Approvals). Each Party will, and will cause its Affiliates to, consult and cooperate with the other Party as to the appropriate time of all such filings and notifications, furnish to the other Party such necessary information and reasonable assistance in connection with the preparation of such filings, and respond promptly to any requests for additional information made in connection therewith by any Governmental Entity. To the extent permitted under applicable Law, Seller and Buyer each will have the right to review in advance all characterizations of the information relating to it or to the transactions contemplated by this Agreement which appear in any filing made by the other Party or any of its Affiliates in connection with the transactions contemplated hereby. In addition to the foregoing, each Party agrees that prior to the Closing, other than in the ordinary course of business, (x) it will not include in any such applications, notices, petitions or filings to or with the NJBPU, any requests or proposals that any business subject to the NJBPU's jurisdiction receive more favorable treatment (whether through increased rates, more favorable terms of service, or otherwise, to such Party or any of its Affiliates) than is currently applicable and (y) it will not separately file or make any applications, notices, petitions or filings to or with the NJBPU that are in any way inconsistent with obtaining the Required Regulatory Approvals or the consummation of the transactions contemplated by this Agreement.

(b) To the fullest extent practicable and permitted by Law, in connection with any communications, meetings, or other contacts, oral or written, with any Governmental Entity

in connection with the transactions contemplated hereby, each Party shall (and will cause its Affiliates to): (i) inform the other Party in advance of any such communication, meeting, or other contact which such Party or any of its Affiliates proposes or intends to make, including the subject matter, contents, intended agenda, and other aspects of any of the foregoing; (ii) consult and cooperate with the other Party, and to take into account the comments of the other Party in connection with any of the matters covered by Section 7.8(a); (iii) permit for representatives of the other Party to participate to the maximum extent possible in any such communications, meetings, or other contacts; (iv) notify the other Party of any oral communications with any Governmental Entity relating to any of the foregoing; and (v) provide the other Party with copies of all written communications with any Governmental Entity relating to any of the foregoing. Nothing in this Section 7.8(b) will apply to or restrict communications or other actions by a Party with or with respect to any Governmental Entity in connection with its business in the ordinary course of business.

(c) Without limiting the foregoing, Buyer shall not, and shall cause its Affiliates not to, take any action, including (i) acquiring any asset, property, business or Person (by way of merger, consolidation, share exchange, investment, or other business combination, asset, stock or equity purchase, or otherwise), (ii) making any filing or transfer or (iii) taking any other action, that in each case could reasonably be expected to materially increase the risk of not obtaining any consent contemplated by this Section 7.8. In furtherance of and without limiting any of Buyer's covenants and agreements under this Section 7.8, Buyer shall, and shall cause each Affiliate to, take, or cause to be taken, any and all steps and to make, or cause to be made, any and all undertakings necessary to avoid or eliminate each and every impediment asserted by any Governmental Entity in connection with obtaining the Required Regulatory Approvals, so as to enable the Closing to occur as promptly as practicable, including (i) agreeing to conditions imposed by, or taking any action required by, any Governmental Entity, (ii) defending through litigation on the merits, including appeals, any Claim asserted by any court or other proceeding by any Person, including any Governmental Entity, that seeks to or could prevent or prohibit or impede, interfere with or delay the consummation of the Closing; (iii) proposing, negotiating, committing to and effecting, by consent decree, hold separate order or otherwise, the sale, divestiture, licensing or disposition of any assets or business of Buyer or its Affiliates or the Purchased Assets, including entering into customary ancillary agreements relating to any such sale, divestiture, licensing or disposition; (iv) agreeing to any limitation on the conduct of Buyer or its Affiliates, including after the Closing with respect to the Purchased Assets; and (v) agreeing to take any other action as may be required by a Governmental Entity in order to effect each of the following: (1) obtaining all Required Regulatory Approvals as soon as reasonably possible and in any event before the Termination Date, (2) avoiding the entry of, or having vacated, lifted, dissolved, reversed or overturned any Order, whether temporary, preliminary or permanent, that is in effect that prohibits, prevents or restricts consummation of, or impedes, interferes with or delays, the Closing and (3) effecting the expiration or termination of any waiting period, which would otherwise have the effect of preventing, prohibiting or restricting consummation of the Closing or impeding, interfering with or delaying the Closing, in each case as may be required in order to obtain the Required Regulatory Approvals or to avoid the entry of, or to effect the lifting or dissolution of, any injunction, temporary restraining order or other order in any suit or proceeding, which would otherwise have the effect of preventing or delaying the Closing. Notwithstanding the foregoing or anything in this Agreement to the contrary, Buyer shall not be required to, and Seller shall not, in connection with obtaining the Required

Regulatory Approvals, consent to or take any action with respect to the Purchased Assets, in each case, that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the Business taken as a whole. For the avoidance of doubt, none of the exclusions set forth in the definition of "Material Adverse Effect" shall be deemed to apply to any reference to "material adverse effect" in this Section 7.8(c).

(d) Notwithstanding the foregoing or anything in this Agreement to the contrary, Seller shall not be required to, and Buyer shall not, in connection with obtaining the Required Regulatory Approvals, consent to (x) the taking of any action or the imposition of any terms, conditions, limitations or standards of service the effectiveness or consummation of which is not conditional upon the occurrence of the Closing or (y) the imposition of any terms, conditions or limitations on or with respect to Seller, any of its Affiliates, any of their respective businesses or any of the benefits to Seller and its Affiliates of the transactions.

Section 7.9. Tax Matters.

(a) Allocation of Purchase Price. The sum of the Purchase Price and the Assumed Obligations (plus any other liabilities treated as assumed for U.S. federal income tax purposes) will be allocated among the Purchased Assets in accordance with the principles of section 1060 of the Code and the regulations thereunder (and any corresponding provision of state, local or foreign Tax Law, as appropriate) pursuant to an allocation schedule (each an "Allocation Schedule") to be prepared by Buyer. Buyer shall deliver to Seller an initial Allocation Schedule within one hundred twenty (120) days of the Effective Date. If any indemnification payment is made pursuant to Article IX or any other adjustment to the Purchase Price occurs, Buyer shall promptly revise any affected Allocation Schedules to take into account such payment or adjustment in a manner consistent with the principles of section 1060 of the Code and the regulations thereunder (and any corresponding provision of state, local or foreign Tax Law, as appropriate). Buyer shall provide the Allocation Schedule (and any revision to the Allocation Schedule necessitated by an adjustment of the Purchase Price) to Seller for Seller's review and comment. Seller shall provide any comments to Buyer within forty-five (45) days of receiving the Allocation Schedule (or any revision to the Allocation Schedule). Buyer shall consider Seller's comments in good faith. If Buyer objects to Seller's comments, Buyer and Seller shall use commercially reasonable efforts to settle the dispute with respect to such comments promptly. If Buyer and Seller have not resolved such dispute within thirty (30) days of Buyer's receipt of Seller's comments, Buyer and Seller shall jointly retain a nationally recognized tax expert (a "Tax Dispute Referee") to resolve disputed items. The findings of the Tax Dispute Referee shall be final and binding on the Parties. Upon final resolution of disputed items, the Allocation Schedule shall be adjusted to reflect such resolution. The costs, fees and expenses of the Tax Dispute Referee incurred in connection with a dispute relating to the Allocation Schedule shall be borne equally by Seller and Buyer. Buyer and Seller hereby covenant and agree to (i) be bound by the Allocation Schedules for all income Tax purposes, (ii) prepare and file all Tax Returns on a basis consistent with each such Allocation Schedule and (iii) not take any position on any Tax Return, before any Governmental Entity charged with the collection of any Tax, or in any judicial proceeding that is in any way inconsistent with the terms of any such Allocation Schedule unless required to do so by applicable Law. Each Party will provide the other promptly with any other information required to complete Form 8594 under the Code.

(b) Responsibility for Taxes. Seller shall bear sole responsibility for the payment of, and shall indemnify Buyer and its Affiliates from, (i) all Pre-Closing Taxes and (ii) Seller's share of any Transfer Taxes under Section 7.9(h). Buyer shall bear sole responsibility for the payment of, and shall indemnify Seller and its Affiliates from, (i) all Post-Closing Taxes and (ii) Buyer's share of any Transfer Taxes under Section 7.9(h). Notwithstanding anything to the contrary in this Agreement, except for Section 9.3(d), Section 9.3(e), Section 9.4(b)(ii) and Section 9.6, the provisions of Article IX shall not apply to this Section 7.9.

(c) Proration of Straddle Tax Period Taxes. In the case of any Taxes (other than Transfer Taxes) that are payable for a Straddle Tax Period, the portion of such Taxes that are Pre-Closing Taxes shall (i) in the case of any real and personal property Taxes, be deemed to be the amount of such Tax for the entire Taxable Period multiplied by a fraction the numerator of which is the amount of time from the beginning of the relevant Taxable Period to the Effective Time and the denominator of which is the amount of time in the entire Taxable Period and (ii) in the case of all other Taxes, be equal to the portion of such Tax that would have been payable if the relevant Taxable Period ended at the Effective Time. All determinations necessary to give effect to the allocation set forth in the foregoing clause (ii) shall be made in a manner consistent with prior practice of Seller, except as otherwise required by applicable Law. For the avoidance of doubt, regardless of the type of Taxes being allocated, any item attributable to any action taken by Buyer during a Straddle Tax Period after the Effective Time that is not in the ordinary course of business will not be attributable to a Pre-Closing Tax Period and any Taxes resulting from such actions shall be borne solely by Buyer.

(d) Preparation and Filing of Tax Returns. Buyer shall timely prepare and file, or cause to be prepared and filed, all Tax Returns with respect to the Business or the Purchased Assets for any Straddle Tax Period. All such Tax Returns shall be prepared and filed in accordance with past practices and the requirements of this Agreement except to the extent required by Law. Buyer shall provide any such Tax Return to Seller for Seller's review and comment at least forty-five (45) days prior to the due date for filing such Tax Return. Buyer shall consider Seller's comments in good faith. If Buyer objects to Seller's comments, Seller and Buyer shall use commercially reasonable efforts to settle the dispute with respect to such comments promptly. If Buyer and Seller have not resolved such dispute at least twenty (20) days prior to the due date for filing such Tax Return, Seller and Buyer shall jointly retain a Tax Dispute Referee to resolve disputed items. The findings of the Tax Dispute Referee shall be final and binding on the Parties. Upon final resolution of disputed items, the Tax Return shall be adjusted to reflect such resolution. Buyer shall timely pay in the manner required by applicable Law to the relevant tax authority all Taxes that are shown as due on such Tax Returns. Seller shall pay to Buyer an amount equal to any Pre-Closing Taxes shown as due on any Tax Return for a Straddle Tax Period no later than five (5) days before any such Tax is due unless there is a dispute that has not been resolved by such date, in which case Seller shall pay Buyer the amount of such disputed Tax within five (5) days of the resolution of such disputed Tax. The costs, fees and expenses of the Tax Dispute Referee incurred in connection with a dispute relating to a Tax Return shall be borne equally by Seller and Buyer.

(e) Tax Contests. Buyer and Seller agree to cooperate with each other to the extent reasonably required after the Effective Date in connection with any Tax Contests relating to any Pre-Closing Tax Period or Straddle Tax Period. Promptly (but no more than twenty (20)

days) after Buyer (or any of its Affiliates) or Seller (or any of its Affiliates) receives notice of any such Tax Contest, the party receiving the notice shall notify the other party in writing of the Tax Contest; provided, however, that failure to provide such notice shall not relieve any Party of its obligations pursuant to this Section 7.9 except to the extent such failure materially prejudices such Party. Seller shall control all Tax Contests relating exclusively to Pre-Closing Tax Periods. Additionally, if Seller's Tax liability could be affected by a Tax Contest relating to a Straddle Tax Period or if Seller could have an indemnification obligation under this Agreement with respect thereto, Seller shall have the right to conduct and control the defense of such Tax Contest at its expense, and Buyer shall provide Seller with all necessary powers of attorney and other documents and assistance reasonably requested by Seller to allow Seller to effectively conduct and control such defense. Seller shall not be responsible for any Taxes to the extent attributable to any action taken by Buyer with respect to any Tax Contest without Seller's written consent (not to be unreasonably withheld). This Section 7.9(e), rather than Section 9.3, shall govern control of all Third Party Claims that relate to Taxes.

(f) Cooperation. Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Business and the Purchased Assets (including access to books and records) as is reasonably necessary for the preparation and filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any tax authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax; provided, however, that neither Buyer nor Seller shall be required to furnish or cause to be furnished any Tax Returns or provide access to any books or records to the extent not related to the Business or the Purchased Assets. Buyer and Seller shall retain all books and records with respect to Taxes pertaining to the Business and the Purchased Assets for a period of at least seven (7) years following the Effective Date. Seller and Buyer shall cooperate with each other in the conduct of any audit or other proceeding relating to Taxes involving the Business or the Purchased Assets.

(g) Tax Refunds. Any refund or credit received by Buyer or any Affiliate of Buyer with respect to Pre-Closing Taxes, whether such refund is received as a payment or as a credit, abatement or similar offset against future Taxes payable, shall be for the account of Seller. Buyer shall pay to Seller the amount of any such refund or credit within five (5) days after receipt.

(h) Transfer Taxes. All Transfer Taxes incurred in connection with this Agreement, the Ancillary Agreements and any transactions contemplated by such agreements shall be borne and paid, or caused to be paid, by Buyer and Seller equally. Buyer and Seller shall cooperate to minimize the incurrence of any such Transfer Taxes. Buyer and Seller shall cooperate in timely making and filing all Tax Returns as may be required to comply with the provisions of laws relating to such Transfer Taxes. To the extent permitted by applicable Law, Buyer will file all necessary Tax Returns and other documentation with respect to all Transfer Taxes, and, if required by applicable Law, Seller will join in the execution of any such Tax Returns and related documentation. To the extent any Tax Return with respect to Transfer Taxes is required by applicable Law to be filed by Seller and Buyer provides Seller with reasonable notice of such requirement, Seller will file such Tax Return and other documentation and pay any amount of Tax shown as due on such Tax Return, and Buyer shall pay to Seller one-half of the amount of Tax shown as due for any such Tax Return no later than five (5) days before any

such Tax is due and, if required by applicable Law, shall join in the execution of any such Tax Returns and related documentation. Buyer and Seller shall cooperate in providing each other with any appropriate resale exemption certifications and other similar documentation.

(i) Seller Consolidated Tax Returns. For the avoidance of doubt and notwithstanding anything to the contrary in this Agreement or any of the Ancillary Agreements, Seller shall have the exclusive right to control all matters, including all Tax Contests, relating to any consolidated, combined or unitary group of corporations that includes Seller or any Affiliate of Seller, and Seller shall not be required to provide copies of any Tax Returns with respect thereto to Buyer or any of its Affiliates.

(j) Post-Closing Covenants. Except as permitted by Section 7.9(d) or Section 7.9(e), or otherwise with the prior written consent of Seller, Buyer shall not, and shall cause its Affiliates not to, (a) amend, refile, revoke or otherwise modify any Tax Return or Tax election with respect to a Pre-Closing Tax Period, (b) make any Tax election or change any accounting period or method with retroactive effect to any such Pre-Closing Tax Period, (c) take any action to extend the applicable statute of limitations with respect to any Tax Return for a Pre-Closing Tax Period, (d) surrender any right to claim a refund of any Pre-Closing Taxes, or (e) take any similar action relating to Pre-Closing Taxes or Tax Returns for any Pre-Closing Tax Periods.

Section 7.10. Employees.

(a) Schedule 7.10(a) sets forth a list of the Business Employees together with each such Business Employee's date of hire, years of service, and base pay in effect as of the date hereof, and status as an employee covered by the Labor Agreement. Business Employees covered by the Labor Agreement are hereafter referred to as "Represented Employees". In the event that any Business Employee ceases to be employed by Seller or its Affiliates prior to the Effective Time, Seller by delivery of written notice thereof to Buyer, shall promptly update Schedule 7.10(a) to remove from such list the name of such person.

(b) Subject to this Section 7.10(b), Buyer will give Qualifying Offers of employment to each of the Business Employees at least fifteen (15) Business Days prior to the anticipated Effective Date or a later date approved by Seller in writing, which approval shall not be unreasonably withheld. As used herein, a "Qualifying Offer" means an offer by Buyer to continue "at-will" employment with the Business commencing at the Closing (i) at a level of base pay (and bonus opportunity) at least equal to such employee's base pay (and bonus opportunity) in effect immediately prior to the Effective Time and as set forth on Schedule 7.10(a), (ii) with an initial primary work location within a thirty (30) mile radius from such employee's primary work location immediately prior to the Effective Time, and (iii) with compensation and benefits that are no less favorable in the aggregate than the compensation and benefits (including equity-based compensation and severance benefits) provided to such Business Employee immediately prior to the Effective Time. All Qualifying Offers of employment made by Buyer pursuant to this Section 7.10(b) will be made in accordance with all applicable Laws, will be conditioned on the occurrence of the Closing, and will include such additional information as shall be mutually agreed by Seller and Buyer. Each Business Employee who is given a Qualifying Offer and who accepts an offer of employment from Buyer pursuant to this Section 7.10(b) is referred to herein as a "Transferred Employee."

(c) Upon the Closing, Seller and its Affiliates will terminate the employment of all Transferred Employees with Seller and its Affiliates. On and after the Effective Time, Buyer shall be solely responsible for any and all Losses related to any Business Employee and Buyer shall indemnify and hold harmless Seller from and against any such Losses.

(d) Through the Effective Time, Seller or its Affiliate will maintain the short term disability and long term disability plans or programs, worker's compensation and any related insurance policies or other funding or administrative arrangements, presently in effect with respect to the Business Employees, and will handle any claim for benefits thereunder in the ordinary course of business. Prior to the Closing, Seller or its Affiliate will take all steps reasonably necessary and appropriate to transfer and assign all such insurance policies and other funding arrangements and Seller's or its Affiliate's rights to Buyer effective as of the Effective Time, at which time Buyer will assume responsibility for all such disability benefits in respect to the Transferred Employees. If Seller, its Affiliate or the insurance carrier of Seller or its Affiliate makes any payments for worker's compensation, short term disability or long term disability to or on behalf of any Transferred Employee that are the responsibility of Buyer as provided in this Agreement, Buyer shall reimburse Seller or its Affiliate, as applicable, for the payments, promptly after receipt of any accounting statement from Seller, to the extent of Seller's or its Affiliate's out-of-pocket costs therefor.

(e) Prior to the Effective Date, Seller and Buyer shall cooperate and Buyer shall take all action reasonably necessary in order for Buyer to become a successor to Seller's obligations under the Labor Agreement, effective for periods after the Effective Time; provided, that the liabilities and obligations under the Labor Agreement shall be assumed only to the extent that such liabilities and obligations arise, relate to and are required to be performed during periods after the Effective Time.

Section 7.11. Employee Benefits.

(a) As of the Effective Time and for a period expiring at the end of the first full calendar year following the year in which the Closing occurs (the "Continuation Period"), Buyer will (i) allow each of the Transferred Employees to participate in Buyer-sponsored benefit plans on a similar basis as made available by Buyer to its other employees who are similarly situated after taking into account such Transferred Employee's service with Seller or an Affiliate of Seller, (ii) provide to each Transferred Employee base pay that is not less than such Transferred Employee's base pay immediately prior to the Effective Time and (iii) provide each Transferred Employee with compensation and benefits that are no less favorable in the aggregate than the compensation and benefits (including equity-based compensation and severance benefits) provided to such Transferred Employee immediately prior to the Effective Time. If any Transferred Employee's employment is terminated within the Continuation Period, Buyer will provide such Transferred Employee with severance benefits pursuant to the terms of Buyer's applicable severance plan or policy; provided, however, that, in accordance with Section 7.10(b), above, the calculation of any such severance benefits shall take into account such Transferred Employee's service with Seller or an Affiliate of Seller. The form and terms of any particular benefit plan offered by Buyer ("Buyer Benefit Plan") shall be as determined by Buyer, subject to the foregoing and the other provisions of this Section 7.11. Notwithstanding the foregoing, this Section 7.11(a) shall not apply to Represented Employees, the terms and conditions of whose

employment shall be as set out in the Labor Agreement (as it may be amended from time-to-time) and applicable Law.

(b) Buyer will recognize the service and seniority of each of the Transferred Employees recognized by Seller for all benefits purposes, including eligibility for, vesting and accrual of, and determination of the levels of such benefits. However, service will not be recognized to the extent it would result in duplication of benefits for the same period of service.

(c) Seller shall fully vest all Transferred Employees in their account balances under the retirement savings plan in which such Transferred Employees participate (the "Seller's 401(k) Plan"), effective as of the Effective Time. Effective as of the Effective Time, Buyer shall maintain or designate, or cause to be maintained or designated, a defined contribution plan and related trust intended to be qualified under sections 401(a), 401(k) and 501(a) of the Code (the "Buyer's 401(k) Plan"). Effective as of the Effective Time, the Transferred Employees shall cease participation in Seller's 401(k) Plan. The Transferred Employees shall be eligible to participate and shall commence participation in Buyer's 401(k) Plan in accordance with the terms of Buyer's 401(k) Plan. Seller and Buyer shall cooperate and take, or cause to be taken, reasonable best efforts to permit each Transferred Employee to make rollover contributions of "eligible rollover distributions" (within the meaning of section 401(a)(31) of the Code) to Buyer's 401(k) Plan in cash in an amount equal to the full account balance distributed to such Transferred Employee from Seller's 401(k) Plan. Buyer will use reasonable best efforts to permit such rollover contributions in the form of notes representing an employee loan under Seller's 401(k) Plan and Buyer shall take (or cause to be taken) any and all reasonable action as may be required to provide that Transferred Employees may continue to service any such loans through payroll deductions after the Closing. Seller shall fully vest all Transferred Employees in their account balances under Seller's nonqualified savings plan, effective as of the Effective Time.

(d) With regard to the AGL Resources Inc. Retirement Plan or the successor plan thereto (the "Seller Pension Plan"), each Pension Participant shall cease to be a participant under such plan effective as of the Effective Time. Effective as of the Effective Time, Buyer shall have in effect a tax-qualified defined benefit pension plan (the "Buyer Pension Plan" which may, for the avoidance of doubt, be a preexisting plan of Buyer) with benefits and other terms and conditions equivalent to the Seller Pension Plan, in each case, in which the Pension Participants shall be eligible to participate. As soon as practicable after the Effective Time, Seller shall cause the calculation and transfer to the Buyer Pension Plan of assets equal to (i) the amount required to be transferred pursuant to Section 414(l) of the Code, Treasury Regulation Section 1.414(l)-1(n)(2) (unless the requirements of such section cannot be satisfied) and such other applicable law using the actuarial assumptions and methodology consistent with those used by Seller in its measurement of the accumulated benefit obligation of the Seller Pension Plan under Accounting Standards Codification Section 715 (the "ABO") with respect to the Pension Participants, as determined by the Seller's actuaries as of the Effective Time, (for the avoidance of doubt, such actuarial assumptions and methodology are agreed by Seller and Buyer to satisfy the reasonability requirements specified in Section 414(l) of the Code), subject to any requirements under such Section of the Code and ERISA (the "Section 414(l) Amount"); plus (ii) for the period between the Effective Time and the date such assets are transferred (the "Transfer Date"), an interest increment on the Section 414(l) Amount at the rate equal to the yield on the

three month US Treasury Bill rate as of the Effective Time; less (iii) any benefit payments that are made from the Seller Pension Plan to each Pension Participant for the period between the Effective Time and the Transfer Date; less (iv) any costs or expenses incurred by Seller in respect of Pension Participant benefits of the Seller Pension Plan for the period between the Effective Time and the Transfer Date. The transfer of the amount from the Seller Pension Plan to the Buyer Pension Plan shall be made in cash. Such transfer shall be subject to Seller's receipt of a current determination letter from the Internal Revenue Service indicating that the Buyer Pension Plan is qualified under Section 401(a) of the Code. The Buyer Pension Plan shall recognize and credit all service (including, without limitation, for purposes of benefit accrual) of the Pension Participants credited under the Seller Pension Plan. Following such transfer from the Seller Pension Plan to the Buyer Pension Plan, the Seller Pension Plan shall have no liability to or with respect to any Pension Participant with respect to their accrued benefits under the Seller Pension Plan, and Buyer shall indemnify and hold harmless Seller and its Affiliates from all liabilities, costs and expenses that may result to Seller or such Affiliates or the Seller Pension Plan from any claim by or on behalf of any Pension Participant for any benefit alleged to be payable under the Seller Pension Plan. To the extent that the amount of assets transferred to the Buyer Pension Plan pursuant to this Section 7.11(d) is less than the ABO (i.e., because of the operation of Section 414(l) of the Code), Seller shall pay Buyer the difference in cash at the same time the plan-to-plan asset transfer is effected.

(e) Buyer agrees to provide those employees whose work responsibilities related primarily to the Business, and who retired prior to the Closing, and who are listed on Schedule 7.11(e) with benefits that are equivalent to those benefits that would have been available to those employees had they remained covered under the Health and Welfare Plan for Retirees & Inactive Employees of AGL Resources, Inc. for a period of two (2) years from the Effective Time. As soon as practicable following the Closing, the assets and liabilities associated with those employees whose work responsibilities related primarily to the Business in the NUI Corporation Employee Welfare Trust (the "Welfare Trust") shall be transferred to a voluntary employees beneficiary association plan maintained by Buyer (the "Buyer VEBA"). The assets shall be transferred in cash. The amount of assets transferred shall be determined based on a pro-rata allocation of the Welfare Trust assets using the retiree medical accumulated postretirement benefit obligation (the "APBO") covered under the Welfare Trust for the group for whom the transfer is effected compared to the APBO for all benefits covered under the Welfare Trust. For the avoidance of doubt, the retiree life APBO to be transferred to the Buyer does not have any corresponding assets under the Welfare Trust.

(f) Buyer will use reasonable best efforts to waive or cause the waiver of any limitation on benefits relating to pre-existing conditions, actively-at-work exclusions and waiting periods for the Transferred Employees under a Buyer Benefit Plan that provides group medical benefits to the extent that such limitations are waived or otherwise inapplicable to a Transferred Employee under any comparable plan of Seller as of the Effective Date. All health care expenses incurred by Transferred Employees or any eligible dependent thereof, including any alternate recipient pursuant to qualified medical child support orders, in the portion of the calendar year preceding the Effective Date that were qualified to be taken into account for purposes of satisfying any deductible or out-of-pocket limit under any Seller health care plans will be taken into account for purposes of satisfying any deductible or out-of-pocket limit under the health care plan of Buyer for such calendar year.

(g) Seller will be responsible for providing COBRA Continuation Coverage to any current and former employees of Seller, or to any qualified beneficiaries of such employees, who become entitled to COBRA Continuation Coverage as a result of loss of medical coverage under a Benefit Plan maintained by Seller or any of its ERISA Affiliates. Buyer will be responsible for offering and providing COBRA Continuation Coverage to any Transferred Employees (and their qualified beneficiaries) who become entitled to such COBRA Continuation Coverage on or after the Closing as a result of their loss of medical coverage under any Buyer Benefit Plan.

(h) Seller hereby acknowledges that, for Federal Insurance Contributions Act and Federal Unemployment Tax Act tax purposes, Buyer qualifies as a successor employer with respect to the Transferred Employees. In connection with the foregoing, the parties agree to follow the "Alternative Procedures" set forth in Section 5 of Revenue Procedure 2004-53, 2004-2 C.B. 320. In connection with the application of the "Alternative Procedures," (i) Seller and Buyer each shall report on a predecessor-successor basis as set forth in such Revenue Procedure, (ii) provided, that Seller provides to Buyer all necessary payroll records for the calendar year that includes the Effective Time, Seller shall be relieved from furnishing Forms W-2 to employees of Seller or its Affiliates that become employees of Buyer, and (iii) provided, that Seller provides to Buyer all necessary payroll records for the calendar year that includes the Effective Time, Buyer shall assume the obligations of Seller to furnish such Forms W-2 to such employees for the full calendar year in which the Closing occurs.

(i) Buyer and Seller acknowledge and agree that all provisions contained in Section 7.10 and this Section 7.11 are included for the sole benefit of Buyer and Seller, and that nothing contained herein, express or implied, is intended to (i) confer upon any Person (including any Business Employee) any right to continued employment for any period or continued receipt of any specific employee benefit, (ii) constitute an amendment to or any other modification of any employee benefit plan, program or agreement of any kind or (iii) create any third party beneficiary or other rights in any other Person, including any Business Employees (or representatives thereof), former Business Employees, any participant in any benefit plan or any dependent or beneficiary thereof. Nothing in this Agreement shall be interpreted as limiting the power of Buyer, Seller or any of their Affiliates to amend or terminate any particular employee benefit plan, program, agreement or policy.

Section 7.12. Signage. Within ninety (90) days following Closing, Buyer shall, and shall cause the Business to, cease using Seller Marks including removing Seller Marks from the Purchased Assets or any properties or assets relating to the Business, and Buyer shall not, and shall cause the Business not to, use Seller Marks or any logos, Trademarks or trade names belonging to Seller or any Affiliate thereof, and Buyer acknowledges that it and its Affiliates have no rights whatsoever to use Seller Marks or such logos, Trademarks or trade names or related Intellectual Property. Notwithstanding Buyer's right to use Seller Marks for the time periods set forth above, Buyer agrees that (a) neither Buyer nor any of its Affiliates shall be deemed an agent, representative or joint venture partner of Seller; (b) Seller and its Affiliates shall retain sole and exclusive ownership of Seller Marks, and all goodwill and rights related thereto; and (c) Buyer and its Affiliates shall not knowingly take any action in respect of Seller Marks that would adversely affect Seller or its Affiliates, or the interest of Seller or its Affiliates in the Seller Marks.

Section 7.13. Insurance Settlement; Cooperation.

(a) Buyer agrees to cooperate with Seller to take such steps as may be reasonably necessary to finalize and implement the insurance settlements negotiated by Seller prior to Closing with respect to the certain insurance policies of Seller as described in more detail on Schedule 7.13(a).

(b) Following the Closing, Buyer and Seller will cooperate on the matters set forth on Schedule 7.13(b) (the "Other Indemnified Matters").

Section 7.14. Notification of Customers. As soon as practicable following the Closing, Seller and Buyer will use their respective commercially reasonable efforts to cause to be sent to customers of the Business written notice that such customers have been transferred from Seller to Buyer. Such notice will contain such information as is required by Law and approved by Buyer and Seller, which approval will not be unreasonably withheld, conditioned or delayed.

Section 7.15. Public Statements. No Party hereto shall issue, or permit any of its Affiliates or Representatives to issue, any press release or otherwise make any public statements or announcements regarding this Agreement or the transactions contemplated hereby without the prior written consent (which consent will not be unreasonably withheld, conditioned or delayed) of the other Party, except as otherwise determined to be necessary or appropriate to comply with applicable Law or any rules or regulations of any supervisory, regulatory or other Governmental Entity having jurisdiction over it or any of its Affiliates (including the Securities and Exchange Commission and the New York Stock Exchange), in which case the Party required to issue such press release or public announcement shall use reasonable efforts to provide the other Party a reasonable opportunity to comment on such press release or public announcement in advance of such publication. The Parties hereto will consult with each other concerning the means by which the employees, customers, and suppliers of the Business and others having dealings with the Business will be informed of the transactions contemplated by this Agreement. Notwithstanding the foregoing, nothing contained in this Agreement shall limit either Party's (or either Party's respective Affiliates') rights to disclose the existence of this Agreement and the general nature of the transaction described herein on any earnings call or in similar discussions with financial media or analysts, stockholders and other members of the investment community.

Section 7.16. Supplements to Seller Disclosure Schedules. From time to time prior to the Closing, Seller may supplement or amend the Seller Disclosure Schedules to properly reflect matters arising after the date hereof (or, in the case of matters that are based on Seller's Knowledge, matters that first come to Seller's Knowledge after the date hereof) (i) that result from the operation of the Business after the date hereof consistent with the requirements of Section 7.1 (an "Ordinary Course Update") or (ii) that, if existing on the date hereof would constitute a breach of any of Seller's representations and warranties hereunder if not set forth on, or described in, the Seller Disclosure Schedules (a "Schedule Update"). In the event that Seller provides written notice to Buyer prior to Closing of a Schedule Update and the Closing nevertheless occurs, any breach of any representation or warranty made by Seller which would exist absent such Schedule Update will be deemed cured and all rights of Buyer with respect to such breach shall be deemed waived.

Section 7.17. Collections; Remittances. From and after the Effective Time, (a) Seller shall promptly remit to Buyer any amounts that are collected or received by Seller that are for the account of Buyer pursuant to the terms of this Agreement, and (b) Buyer shall, and shall cause its Affiliates to, promptly remit to Seller any amounts that are collected or received by Buyer or any such Affiliate that are for the account of Seller pursuant to the terms of this Agreement.

Section 7.18. Post-Closing Covenants Related to Elizabethtown Gas Name. At the Effective Date, and from time to time thereafter as reasonably requested in writing by Buyer, Seller shall make appropriate filings and to affect the transfer of all of Seller's rights to the Assigned IP, including providing for the transfer of the Assigned IP on the Effective Date. Prior to the Effective Date, Buyer will establish an account with GoDaddy.com, Inc., the registrar for the elizabethtowngas.com domain.

Section 7.19. Replacement of Guarantees or Other Credit Support. Buyer acknowledges and agrees that neither Seller nor any of its Affiliates shall have any obligations to maintain any guarantee or other form of credit support to secure performance or payment under any Purchased Business Agreements after the Closing. Buyer shall use its reasonable efforts to obtain and deliver to Seller, prior to the Closing and to be effective upon the Closing, a full and unconditional release of all of the obligations of Seller and its Affiliates under each of the agreements and instruments set forth on Schedule 7.19 (the "Guarantees") by providing the counterparties thereto and beneficiaries thereof with a substitute form of security. In the event that any such counterparty or beneficiary does not accept a substitute form of security prior to the Closing, Buyer shall continue to use its reasonable efforts to obtain and deliver to Seller as promptly as practicable after the Closing a full and unconditional release of all of the obligations of Seller and its Affiliates under any of the Guarantees that remain outstanding (the "Continuing Guarantees"). Buyer acknowledges that the obligations of Seller and its Affiliates under the Continuing Guarantees arising after the Closing are for the account of Buyer and any Indemnifiable Losses suffered, paid or incurred by Seller and its Affiliates in respect thereof shall be paid or reimbursed by Buyer, as applicable, and shall otherwise be subject to indemnification by Buyer as Assumed Obligations. Buyer agrees to deliver to Seller at Closing and maintain in effect a letter of credit or other reasonable form of security in respect of Buyer's indemnification obligations relating to each Continuing Guarantee until such time as there has been a full and unconditional release of Seller and its Affiliates from all obligations thereunder. Buyer shall not, and shall not permit any of its Affiliates to: (i) renew or extend the term of, (ii) increase the obligations under, or (iii) transfer to a third party any Business Agreement or other obligation covered by a Continuing Guarantee.

Section 7.20. Financing Covenant.

(a) Seller agrees to use commercially reasonable efforts to provide such cooperation as may be reasonably requested by Buyer, at Buyer's expense and solely as an accommodation to Buyer, in connection with the arrangement of any financing to be consummated with respect to the transactions contemplated hereby; provided that (i) such requested cooperation does not unreasonably interfere with the ongoing operations of Seller and its Affiliates and (ii) none of Seller and its Affiliates shall have any liability or obligation under

any agreement or document related to such financing or otherwise be required to incur any liability or obligation in connection with such financing.

(b) Buyer shall be responsible for all fees and expenses related to any financing to be consummated in connection with the transactions contemplated hereby. Accordingly, notwithstanding anything to the contrary in Section 7.6, Buyer shall promptly reimburse Seller and its Affiliates, as applicable, for all out-of-pocket costs and expenses (including attorneys' fees) incurred by Seller and its Affiliates in connection with such cooperation or otherwise in connection with any such financing. Buyer shall indemnify and hold harmless Seller and its Affiliates and their respective Representatives from and against any and all losses, damages, obligations or liabilities suffered or incurred by them in connection with any such financing and any information utilized in connection therewith.

ARTICLE VIII

CONDITIONS TO CLOSING

Section 8.1. Conditions to Each Party's Closing Obligations. The respective obligations of each Party to effect the transactions contemplated hereby are subject to the fulfillment or joint waiver by the Parties at or prior to the Effective Date of the following conditions:

(a) No Order (whether temporary, preliminary or permanent) which prevents the consummation of the transactions contemplated hereby shall have been issued and remain in effect (each Party agreeing to use its best efforts to have any such Order lifted) and no Law shall have been enacted which directly or indirectly prohibits the consummation of the transactions contemplated hereby.

(b) The Required Regulatory Approvals shall have been obtained.

Section 8.2. Conditions to Buyer's Closing Obligations. The obligation of Buyer to effect the transactions contemplated hereby is subject to the fulfillment or waiver by Buyer at or prior to the Effective Date of the following additional conditions:

(a) Seller shall have performed and complied in all material respects with the covenants and agreements contained in this Agreement which are required to be performed and complied with by Seller on or prior to the Effective Date;

(b) (i) The Seller Indemnified Representations shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date (except to the extent that any such representation or warranty speaks as of a particular date, in which case such representation and warranty will be true and correct only as of such date) and (ii) all other representations and warranties of Seller set forth in Article V of this Agreement shall be true and correct (without giving effect to any limitation as to materiality or Material Adverse Effect set forth therein or any Schedule Update other than Ordinary Course Updates), as of the date of this Agreement and as of the Effective Date as though made at and as of the Effective Date (except to the extent that any such representation or warranty speaks as of a particular date, in which case such representation and warranty will be true and correct only as of such date), except for any

failure or failures of such representations and warranties to be true and correct that would not, individually or in the aggregate, result in a Material Adverse Effect;

(c) Since the date of this Agreement, no Material Adverse Effect shall have occurred; and

(d) Buyer shall have received a certificate from Seller, signed on its behalf by an officer of Seller and dated the Effective Date, to the effect that the conditions set forth in Section 8.2(a), Section 8.2(b) and Section 8.2(c) have been satisfied.

Section 8.3. Conditions to Seller's Closing Obligations. The obligation of Seller to effect the transactions contemplated hereby is subject to the fulfillment or waiver by Seller at or prior to the Effective Date of the following additional conditions:

(a) Buyer shall have performed and complied in all material respects with the covenants and agreements contained in this Agreement which are required to be performed and complied with by Buyer on or prior to the Effective Date;

(b) The representations and warranties of Buyer set forth in Article VI shall be true and correct (without giving effect to any limitation as to materiality or Material Adverse Effect set forth therein) as of the date of this Agreement and as of the Effective Time as though made at and as of the Effective Time (except to the extent that any such representation or warranty speaks as of a particular date, in which case such representation and warranty will be true and correct only as of such date), except for any failure or failures of such representations and warranties to be true and correct that do not, individually or in the aggregate, cause such representations and warranties of Buyer to be materially inaccurate taken as a whole or have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or consummate the transactions contemplated hereby on a timely basis; and

(c) Seller shall have received a certificate from Buyer, signed on its behalf by an officer of Buyer and dated the Effective Date, to the effect that the conditions set forth in Section 8.3(a) and Section 8.3(b) have been satisfied.

ARTICLE IX

INDEMNIFICATION

Section 9.1. Survival of Representations, Warranties, and Certain Covenants. The representations and warranties contained in this Agreement and the covenants and agreements contained in this Agreement which by their terms are to be performed prior to or at the Closing shall not survive the Closing, except that the representations and warranties contained in Section 5.2 (Authority and Enforceability), Section 5.6 (Title), Section 5.16 (Brokers and Finders), (the "Seller Indemnified Representations") and Section 6.2 (Authority and Enforceability) and Section 6.5 (Brokers and Finders) (the "Buyer Indemnified Representations") will survive the Closing and will expire twelve (12) months after the Effective Date (the "Survival Period"). The covenants and agreements to be performed after Closing shall survive for the period provided in such covenants and agreements, if any, or until fully performed, whichever is earlier. Notwithstanding the foregoing, any claims asserted in

connection with this Agreement in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching Party to the breaching Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

Section 9.2. Indemnification.

(a) Subject to Section 9.1 and Section 9.4 hereof, from and after the Closing, Seller will indemnify, defend, and hold harmless Buyer, its Affiliates and each of their respective Representatives (the "Buyer Indemnitees") from and against any and all Claims and Losses (each, an "Indemnifiable Loss") incurred or suffered by any Buyer Indemnitee to the extent resulting from or arising out of:

(i) any inaccuracy in or breach by Seller of any Seller Indemnified Representation, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Effective Date (except for representations or warranties that expressly relate to any specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); and

(ii) the Excluded Liabilities and the Excluded Assets.

(b) Subject to Section 9.1 and Section 9.4 hereof, from and after the Closing, Buyer will indemnify, defend, and hold harmless Seller, its Affiliates and each of their respective Representatives (the "Seller Indemnitees") from and against any and all Indemnifiable Losses incurred or suffered by any Seller Indemnitee to the extent resulting from or arising out of:

(i) any inaccuracy in or breach by Buyer of any Buyer Indemnified Representation, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Effective Date (except for representations or warranties that expressly relate to any specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); and

(ii) the Business, the Purchased Assets and the Assumed Obligations.

Section 9.3. Indemnification Procedures.

(a) Third Party Claims. If any Person entitled to receive indemnification under this Agreement (an "Indemnitee") receives notice of any Claim by any Person who is neither a Party to this Agreement nor an Affiliate of a Party to this Agreement (a "Third Party Claim") for which has or could reasonably give rise to a right of indemnification hereunder, or which the Indemnitee may claim a right to indemnification hereunder from the other Party (the "Indemnifying Party"), the Indemnitee will promptly give written notice (a "Third Party Claim Notice") of such Third Party Claim to the Indemnifying Party. Any such Third Party Claim Notice shall (i) describe the nature, facts and circumstances of the Third Party Claim in reasonable detail, (ii) state the estimated amount of the Indemnifiable Loss that has been or may be sustained by the Indemnitee, if practicable, (iii) state the method and computation thereof, and (iv) contain specific reference to the provision or provisions of this Agreement in respect of

which such right of indemnification is claimed or arises. The Indemnitee shall provide the Indemnifying Party with such other information known to it or in its possession with respect to the Third Party Claim as the Indemnifying Party may reasonably request. The Indemnifying Party, at its sole cost and expense, will have the right, upon written notice to the Indemnitee within thirty (30) days (or such earlier time as may be required by the nature of the Third Party Claim) of receiving a Third Party Claim Notice, to assume the defense of the Third Party Claim through counsel of its choice, provided, that the Indemnitee shall be entitled to retain its own counsel, at the Indemnifying Party's expense, if (i) upon the advice of Indemnitee's counsel, a conflict of interest exists (or would reasonably be expected to arise) that would make it inappropriate for the same counsel to represent both the Indemnifying Party and Indemnitee in connection with a Third Party Claim, (ii) the Indemnifying Party fails to diligently prosecute the defense of the Third Party Claim, or (iii) such Third Party Claim (A) seeks non-monetary relief, or (B) involves criminal or quasi criminal allegations and, provided further, that if the aggregate dollar amount of the Third Party Claim, together with all other Third Party Claims of which the Indemnifying Party is aware or has received Third Party Claim Notices, and all costs and expenses reasonably estimated to be incurred in connection with the defense thereof, would exceed the monetary limitation of the indemnification obligation applicable to such Third Party Claim (the "Indemnification Cap"), the Indemnitee may, at its option, and to the extent in excess of the Indemnification Cap at its sole cost and expense, assume the defense of the Third Party Claim with counsel of its choice upon written notice to the Indemnifying Party within fifteen (15) days of receiving a Third Party Claim Notice.

(b) Defense of Third Party Claims. If the Indemnifying Party assumes the defense of a Third Party Claim pursuant to Section 9.3(a), the Indemnifying Party will diligently pursue such defense, and will keep the Indemnitee reasonably informed with respect to such defense. The Indemnitee shall, and shall cause its Affiliates to, cooperate with the Indemnifying Party and its counsel, including making available to the Indemnifying Party all witnesses, pertinent records, materials and information in the Indemnitee's possession or under the Indemnitee's control relating thereto as is reasonably required by the Indemnifying Party. The Indemnitee will have the right to participate in such defense, including appointing separate counsel, but the costs of such participation shall be borne solely by the Indemnitee. The Indemnifying Party will, in consultation with the Indemnitee, make all decisions and determine all actions to be taken with respect to the defense and settlement of the Third Party Claim; provided, however, that the Indemnifying Party shall not pay, compromise, settle, or otherwise dispose of such Third Party Claim without the prior written consent of the Indemnitee (which consent shall not be unreasonably withheld, conditioned or delayed) unless such settlement involves only the payment of money, such payment is made in full solely by the Indemnifying Party without recourse to the Indemnitee, and such settlement does not impose any obligations or restrictions on the Indemnitee of any nature other than an obligation to pay monetary damages indemnified hereunder. In no event will the Indemnifying Party have authority to agree, without the consent of the Indemnitee, to any relief binding on the Indemnitee other than the payment of money damages by the Indemnifying Party without recourse to the Indemnitee.

(c) Failure to Assume Defense. If the Indemnifying Party elects not to defend such Third Party Claim, fails to promptly notify the Indemnitee in writing of its election to defend, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnitee may defend such Third Party Claim and seek indemnification for any and all Indemnifiable

Losses based upon, arising from or relating to such Third Party Claim; provided, however, that the Indemnitee shall not pay, compromise, settle, or otherwise dispose of such Third Party Claim without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed).

(d) Direct Losses. Any claim by an Indemnitee on account of an Indemnifiable Loss that does not result from a Third Party Claim (a "Direct Loss") will be asserted by giving the Indemnifying Party prompt written notice thereof, (i) describing the nature, facts and circumstances of such Indemnifiable Loss in reasonable detail, (ii) stating the amount of the Indemnifiable Loss that has been or may be sustained by the Indemnitee, if practicable, (iii) stating the method and computation thereof, and (iv) containing specific reference to the provision or provisions of this Agreement in respect of which such right of indemnification is claimed or arises. The Indemnitee shall provide the Indemnifying Party with such other information with respect to the Direct Loss as the Indemnifying Party may reasonably request and shall cooperate with the Indemnifying Party and its counsel, including permitting reasonable access to books, records, and personnel, in connection with determining the validity of any claim for indemnification by the Indemnitee and in otherwise resolving such matters. The Indemnifying Party will have a period of thirty (30) Business Days within which to respond to such claim of a Direct Loss. If the Indemnifying Party rejects such claim, or does not respond within such period, the Indemnitee may seek enforcement of its rights to indemnification under this Agreement.

(e) Delay. A failure to give timely notice as provided in this Section 9.3 will affect the rights or obligations of a Party hereunder only to the extent that, as a result of such failure, the Party entitled to receive such notice was actually prejudiced as a result of such failure. Notwithstanding the foregoing, no claim for indemnification first made after expiration of the applicable survival period with respect to the representation, warranty or covenant on which such claim is based set forth in Section 9.1 will be valid and any such claim shall be deemed time-barred.

(f) Tax Losses. In the event of a conflict between Section 7.9 and this Section 9.3, Section 7.9 shall control with respect to Taxes.

Section 9.4. Limitations on Indemnification and Related Matters.

(a) A Party may assert a claim for indemnification hereunder only to the extent the Indemnitee gives notice of such claim to the Indemnifying Party in accordance with Section 9.3 prior to the expiration of the Survival Period.

(b) For the avoidance of doubt, there shall be no time limitation on claims for indemnification relating to Excluded Liabilities or Assumed Obligations. Notwithstanding any other provision contained in this Agreement:

(i) In no event shall either Party be liable for indemnification pursuant to Section 9.2(a)(i) or Section 9.2(b)(i) hereof (A) for any item or items arising out of the same facts, events or circumstances where the Indemnifiable Loss relating thereto is less than $500,000 and (B) in respect of each individual item where the Indemnifiable Loss

relating thereto is equal to or greater than $500,000, unless and until the aggregate of all such Indemnifiable Losses which are incurred or suffered by the Buyer Indemnitees or Seller Indemnitees, respectively, exceeds two percent (2%) of the Base Purchase Price (the "Threshold Amount"), in which case the Buyer Indemnitees or Seller Indemnitees, as applicable, shall be entitled, subject to Section 9.4(b)(ii), to indemnification only for such Indemnifiable Losses in excess of the Threshold Amount.

(ii) Neither Seller nor Buyer shall be required to make payments for indemnification pursuant to Section 9.2(a)(i), Section 9.2(b)(i) or Section 7.9(b), respectively, in an aggregate amount in excess of the Base Purchase Price.

(iii) In no event shall any Indemnifying Party be obligated under this Article IX to indemnify any Indemnitee entitled to indemnification hereunder in respect of any Losses that result from the intentional misconduct of such Indemnitee.

(c) Notwithstanding anything contained in this Agreement to the contrary, except for the representations and warranties expressly contained in Article V, neither Seller, any of its Affiliates or any Seller Representative, nor any other Person is making any other express or implied representation or warranty of any kind or nature whatsoever (including with respect to Seller, the Business, the Purchased Assets, the Assumed Obligations or the transactions contemplated by this Agreement), and Seller hereby disclaims any other representations or warranties, whether made by such Party or its Affiliates, officers, directors, employees, agents, or representatives, including the implied warranty of merchantability and any implied warranty of fitness for a particular purpose.

Section 9.5. Mitigation.

(a) An Indemnitee will use commercially reasonable efforts to mitigate any Indemnifiable Losses, including commercially reasonable efforts to recover all Indemnifiable Losses from insurers of such Indemnitee under applicable insurance policies or through the rate recovery process so as to reduce the amount of any Indemnifiable Loss hereunder. In the event the Indemnitee shall fail to use such commercially reasonable efforts, then notwithstanding anything in this Agreement to the contrary, the Indemnifying Party shall not be required to indemnify the Indemnitee for that portion of Indemnifiable Losses that would reasonably have been expected to have been avoided if the Indemnitee had used such commercially reasonable efforts.

(b) The amount of any Indemnifiable Loss will be reduced to the extent of any insurance proceeds, rate recovery or other payments actually received from an insurer or other third party with respect to an Indemnifiable Loss, net of all costs of recovery. If the amount of any Indemnifiable Loss, at any time subsequent to the making of an indemnity payment in respect thereof, is reduced by recovery, settlement, or payment under or pursuant to any insurance coverage, by rate recovery or by recovery, settlement, or payment by or against any other Person, the amount of such reduction (net of all costs of recovery), will be repaid by the Indemnitee to the Indemnifying Party reasonably promptly following actual receipt or credit of such amounts.

(c) The amount of any Indemnifiable Loss will be reduced to the extent of any net Tax benefit available to the Indemnitee or its Affiliates arising in connection with the accrual, incurrence or payment of any such Indemnifiable Loss.

(d) Upon making any indemnity payment, the Indemnifying Party will, to the extent of such indemnity payment, be subrogated to all rights of the Indemnitee against any third party in respect of the Indemnifiable Loss to which the indemnity payment relates.

Section 9.6. Tax Treatment of Indemnity Payments. Seller and Buyer agree to treat any indemnity payment made pursuant to this Article IX or pursuant to Section 7.9 as an adjustment to the Purchase Price for federal, state, local and foreign income Tax purposes, to the extent permitted by Law.

Section 9.7. No Consequential Damages. Notwithstanding anything to the contrary elsewhere in this Agreement or provided for under any applicable Law, no Party will be liable to the other Party, either in contract or in tort, for any consequential, incidental, indirect, special, or punitive damages of the other Party, including business interruption, loss of future revenue, profits or income, diminution in value or loss of business reputation or opportunity, relating to the breach or alleged breach hereof or otherwise, whether or not the possibility of such damages has been disclosed to the other Party in advance or could have been reasonably foreseen by such other Party, and, in particular, no "multiple of profits," "multiple of cash flow," "multiple of assets" or similar valuation methodology shall be used in calculating the amount of any Indemnifiable Losses. The exclusion of consequential, incidental, indirect, special, and punitive damages as set forth in the preceding sentence does not apply to any such damages actually paid to a third parties by Buyer or Seller, as the case may be, in connection with Losses that may be indemnified pursuant to this Article IX after Closing.

Section 9.8. Exclusive Remedy. Except for injunctive relief and as provided in Section 7.2(a), the Parties acknowledge and agree that, from and after the Closing, the sole and exclusive remedy for any breach or inaccuracy, or alleged breach or inaccuracy, of any representation or warranty in this Agreement or any breach or failure to perform, or alleged breach or failure to perform, any covenant or agreement in this Agreement, or any other claim based upon, arising out of or relating to this Agreement and/or the transactions contemplated hereby, will be indemnification in accordance with this Article IX and Section 7.9 (which shall relate only to Claims related to Taxes). In furtherance of the foregoing, Seller and Buyer hereby waive, on behalf of themselves and the other Seller Indemnitees and Buyer Indemnitees, respectively, to the fullest extent permitted by applicable Law, any and all other rights, claims, and causes of action (including rights of contribution, rights of recovery arising out of or relating to any Environmental Laws, claims for breach of contract, breach of representation or warranty, negligent misrepresentation and all other claims for breach of duty) that may be based upon, arise out of, or relate to the Business, the Purchased Assets, the Excluded Assets, the Assumed Obligations, the Excluded Liabilities, this Agreement, the negotiation, execution, or performance of this Agreement (including any tort or breach of contract claim or cause of action based upon, arising out of, or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), or the transactions contemplated hereby, known or unknown, foreseen or unforeseen, which exist or may arise in the future, that it may have against the other arising under or based upon any Law, common law, or otherwise.

ARTICLE X

TERMINATION AND OTHER REMEDIES

Section 10.1. Termination.

(a) This Agreement may be terminated at any time prior to the Effective Date by mutual written consent of Seller and Buyer.

(b) This Agreement may be terminated by Seller or Buyer if the Closing has not occurred on or before twelve (12) months following the date of this Agreement (the "Termination Date"); provided, that the right to terminate this Agreement under this Section 10.1(b) will not be available to a Party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before the Termination Date. Notwithstanding the foregoing, if twelve (12) months following the date of this Agreement the conditions to the Closing set forth in Section 8.1(b), have not been fulfilled but all other conditions to the Closing have been fulfilled or are capable of being fulfilled at the Closing, then the Termination Date will be the day which is fifteen (15) months following the date of this Agreement.

(c) This Agreement may be terminated by either Seller or Buyer if (i) any Required Regulatory Approval has been denied by the applicable Governmental Entity, and all appeals of such denial have been taken and have been unsuccessful, or (ii) one or more courts of competent jurisdiction in the United States or any State has issued an Order preliminarily, temporarily or permanently restraining, enjoining, or otherwise prohibiting the Closing, and such Order has become final and non-appealable; provided, however, that the right to terminate this Agreement under this Section 10.1(c) shall not be available to any Party if the denial, restraining, enjoining or other action described in (i) or (ii) hereof is the result of a failure of such Party to comply with its obligations pursuant to Section 7.7 or Section 7.8.

(d) This Agreement may be terminated by Buyer by giving written notice to Seller if there has been a breach by Seller of any representation, warranty, or covenant made by it in this Agreement which would prevent the satisfaction of any condition to the obligations of Buyer to effect the Closing and such breach has not been cured by Seller or waived by Buyer within twenty (20) Business Days after notice of any such breach; provided, that Buyer shall not be permitted to terminate this Agreement if Buyer is then in material breach of any of its representations, warranties, covenants or other agreements contained herein.

(e) This Agreement may be terminated by Seller by giving written notice to Buyer if there has been a breach by Buyer of any representation, warranty, or covenant made by it in this Agreement which would prevent the satisfaction of any condition to the obligations of Seller to effect the Closing and such breach has not been cured by Buyer or waived by Seller within twenty (20) Business Days after notice of any such breach; provided, that Seller shall not be permitted to terminate this Agreement if Seller is then in material breach of any of its representations, warranties, covenants or other agreements contained herein.

Section 10.2. Procedure; Effect of Termination; Termination Fee.

(a) In the event that a Party having the right to terminate this Agreement desires to terminate this Agreement, such Party shall give the other Party written notice of such termination, specifying the basis for such termination, and this Agreement will terminate and the transactions contemplated hereby will be abandoned, without further action by either Party, whereupon the liabilities of the Parties hereunder will terminate, except as otherwise expressly provided in this Section 10.2.

(b) The obligations of the Parties under Article XI, and in Section 5.16, Section 6.5, Section 7.3, Section 7.6, and Section 7.15 and this Section 10.2 (and any definitions in Article I referenced in any of the foregoing) will survive the termination of this Agreement. Nothing herein shall relieve any Party from liability for any willful and material breach of any representation, warranty, covenant or agreement of such Party contained in this Agreement.

(c) If (1) either Buyer or Seller terminates this Agreement pursuant to Section 10.1(b) and, at the time of such termination, any of the conditions set forth in Section 8.1(b) shall not have been satisfied, (2) either Buyer or Seller terminates this Agreement pursuant to Section 10.1(c) (if, and only if, the applicable denial, restraining, enjoining or other action described in Section 10.1(c) giving rise to such termination arises in connection with any Required Regulatory Approval or in connection with the assertion by any other Governmental Entity that its approval of the transactions contemplated by this Agreement is required) or (3) Seller terminates this Agreement pursuant to Section 10.1(e) based on either (x) a failure by Buyer to perform its covenants or agreements under Section 7.7(a) or Section 7.8, or (y) a failure by Buyer to close the transactions contemplated hereby when it is otherwise obligated to do so, then, in any such case, Buyer shall pay to Seller a fee of $80,000,000 in cash (the "Termination Fee"). Buyer shall pay the Termination Fee to Seller (to an account designated in writing by Seller) prior to or concurrently with such termination of this Agreement by Buyer or no later than three (3) Business Days after the date of the applicable termination by Seller. For the avoidance of doubt, under no circumstances shall the Seller be entitled to collect the Termination Fee on more than one occasion and under no circumstances shall the Seller be permitted to receive both a grant of specific performance of the obligation to close contemplated by Section 11.12 and collect the Termination Fee.

(d) Buyer acknowledges that the agreements contained in Section 10.2(c) are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, Seller would not enter into this Agreement. If Buyer fails to promptly pay an amount due pursuant to Section 10.2(c) and, in order to obtain such payment, Seller commences a Claim that results in an Order against Buyer for the amount set forth in Section 10.2(c) or any portion thereof, Buyer shall pay to Seller its costs and expenses (including reasonable attorneys' fees and the fees and expenses of any expert or consultant engaged by Seller) in connection with such Claim, together with interest on the amount of such payment from the date such payment was required to be made until the date of payment at the U.S. prime rate as quoted by The Wall Street Journal in effect on the date such payment was required to be made. Any amount payable pursuant to Section 10.2(c) or Section 10.2(d) shall be paid by Buyer by wire transfer of same-day funds prior to or on the date such payment is required to be made.

(e) Without limiting the rights of Seller under Section 11.12 prior to the termination of this Agreement pursuant to Section 10.1, if this Agreement is terminated under

circumstances in which Buyer is obligated to pay the Termination Fee and, if applicable, the costs and expenses of Seller pursuant to Section 10.2(d), upon payment of the Termination Fee and such costs and expenses, Buyer and its Affiliates shall have no further liability with respect to this Agreement or the transactions contemplated hereby to Seller, and payment of the Termination Fee and such costs and expenses by Buyer shall be Seller's sole and exclusive remedy for any Claims, losses, liabilities, damages, judgments, inquiries, fines and reasonable fees, costs and expenses, including attorneys' fees and disbursements, suffered or incurred by Seller in connection with this Agreement, the transactions contemplated hereby (and the termination thereof) or any matter forming the basis for such termination, and Seller shall not have, and expressly waives and relinquishes, any other right, remedy or recourse (whether in contract or in tort or otherwise, or whether at law (including at common law or by statute) or in equity); provided that, regardless of whether Buyer pays or is obligated to pay the Termination Fee, nothing in this Section 10.2(e) shall release Buyer from liability for a Willful Breach of this Agreement. For purposes of this Agreement, "Willful Breach" means a breach that is a consequence of a deliberate act or deliberate failure to act undertaken by the breaching Party with the knowledge that the taking of or failure to take, such act would, or would reasonably be expected to, cause or constitute a material breach of any covenants or agreements contained in this Agreement; provided that, without limiting the meaning of Willful Breach, the Parties acknowledge and agree that any failure by any Party to consummate the acquisition of the Purchased Assets, the assumption of the Assumed Obligations and the other transactions contemplated by this Agreement to be completed at the Closing (the "Acquisition") after the applicable conditions to the Closing set forth in Article VIII have been satisfied or waived (except for those conditions that by their nature are to be satisfied at the Closing, which conditions would be capable of being satisfied at the time of such failure to consummate the Acquisition) shall constitute a Willful Breach of this Agreement by such Party. For the avoidance of doubt, (i) in the event that all applicable conditions to the Closing set forth in Article VIII have been satisfied or waived (except for those conditions that by their nature are to be satisfied at the Closing, which conditions would be capable of being satisfied at the time of such failure to consummate the Acquisition) but Buyer fails to close for any reason, such failure to close shall be considered a Willful Breach by the Buyer and (ii) the availability or unavailability of financing for the transactions contemplated by this Agreement shall have no effect on Buyer's obligations hereunder.

(f) Upon any termination of this Agreement, all filings, applications and other submissions made pursuant to this Agreement, to the extent practicable, will within a commercially reasonable time thereafter be withdrawn by the filing Party from the Governmental Entity or other Person to which they were made.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.1. Amendment. This Agreement may be amended, modified, or supplemented only by written agreement of Seller and Buyer. Notwithstanding anything to the contrary contained herein, this Section 11.1, Section 11.5, Section 11.6, Section 11.10, Section 11.11 and Section 11.15 may not be amended, supplemented, waived or otherwise modified in a

manner adverse to the Financing Sources without the prior written consent of the Financing Sources.

Section 11.2. Waivers and Consents. Except as otherwise provided in this Agreement, any failure of either Party to comply with any obligation, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 11.3. Notices. All notices and other communications hereunder will be in writing and will be deemed given (i) when received, if delivered personally, (ii) when sent, if sent by facsimile transmission (provided, that the sender receives confirmation of successful transmission) or by electronic mail, or (iii) when received, if mailed by overnight courier or certified mail (return receipt requested), postage prepaid, in each case, to the Party being notified at such Party's address indicated below (or at such other address for a Party as is specified by like notice):

(a) If to Seller, to:

Pivotal Utility Holdings, Inc.
10 Peachtree Place NE
Atlanta, GA 30309
Attention: Elizabeth W. Reese, Executive Vice President, Chief Financial Officer and Treasurer
Facsimile: (404) 584-3459
Email: ewreese@southernco.com

with copies (which shall not constitute notice) to:

Pivotal Utility Holdings, Inc.
10 Peachtree Place NE
Atlanta, GA 30309
Attention: Paul R. Shlanta, Senior Vice President and General Counsel
Facsimile: (404) 584-3459
Email: pshlanta@southernco.com

and

Baker Botts LLP
30 Rockefeller Plaza
New York, New York 10112
Attention: William S. Lamb
Facsimile: (212) 259-2557
Email: bill.lamb@bakerbotts.com

(b) if to Buyer, to:

South Jersey Industries, Inc.
1 South Jersey Plaza
Folsom, NJ 08037
Attention: Steven R. Cocchi
E-mail: scocchi@sjindustries.com

with a copy (which shall not constitute notice) to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166-0193
Attention: Barbara Becker
Saee Muzumdar
E-mail: bbecker@gibsondunn.com
smuzumdar@gibsondunn.com

Section 11.4. Assignment. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests, or obligations hereunder may be assigned by either Party, without the prior written consent of the other Party. Notwithstanding the foregoing, Buyer shall be permitted to assign its rights and obligations under this Agreement and any other Ancillary Agreement, individually or collectively, to one or more wholly-owned, direct or indirect subsidiaries with prior written notice to Seller; provided, however, that no such assignment shall relieve Buyer of, or constitute a discharge of, any of Buyer's liabilities and obligations under this Agreement.

Section 11.5. No Third Party Beneficiaries. No provision of this Agreement is intended to or shall be deemed to confer any rights or remedies upon any Person other than the Parties, except for the rights of Affiliates of the Parties under Article IX hereof; provided, that the Financing Sources shall be express third-party beneficiaries of this Section 11.5 and Section 11.1, Section 11.6, Section 11.10, Section 11.11 and Section 11.15 and each of such Sections shall expressly inure to the benefit of the Financing Sources and the Financing Sources shall be entitled to rely on and enforce the provisions of such Sections. Without limiting the foregoing, no provision of this Agreement creates any rights in any employee or former employee of Seller (including any beneficiary or dependent thereof) in respect of continued employment or resumed employment, and no provision of this Agreement creates any rights in any such Persons in respect of any benefits that may be provided, directly or indirectly, under any employee benefit plan or arrangement.

Section 11.6. Governing Law. This Agreement (as well as any claim or controversy arising out of or relating to this Agreement or the transactions contemplated hereby) shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of laws rules thereof that would otherwise require the laws of another jurisdiction to apply.

Section 11.7. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

Section 11.8. Entire Agreement. This Agreement will be a valid and binding agreement of the Parties only if and when it is fully executed and delivered by the Parties, and until such execution and delivery no legal obligation will be created by virtue hereof. This Agreement, the Confidentiality Agreement and the Ancillary Agreements, together with the Appendices and Exhibits hereto and thereto and the certificates and instruments delivered hereunder or in accordance herewith, embodies the entire agreement and understanding of the Parties hereto in respect of the transactions contemplated by this Agreement. This Agreement, the Confidentiality Agreement and the Ancillary Agreements supersede all prior agreements and understandings between the Parties with respect to such transactions contemplated hereby. Neither this Agreement, the Confidentiality Agreement nor any Ancillary Agreement shall be deemed to contain or imply any restriction, covenant, representation, warranty, agreement or undertaking of any party with respect to the transactions contemplated hereby or thereby other than those expressly set forth herein or therein or in any document required to be delivered hereunder or thereunder.

Section 11.9. Delivery. This Agreement, and any certificates and instruments delivered hereunder or in accordance herewith, may be executed in multiple counterparts (each of which will be deemed an original, but all of which together will constitute one and the same instrument). Signatures to this Agreement transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

Section 11.10. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE FINANCING OR THE ANCILLARY AGREEMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (INCLUDING ANY LEGAL PROCEEDING AGAINST ANY FINANCING SOURCE).

Section 11.11. Submission to Jurisdiction. Each of the parties irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement brought by the other party or its successors or assigns shall be brought and determined in any New York State or federal court sitting in the City of New York (or, if such court lacks subject matter jurisdiction, in any appropriate New York or federal court), and each of the parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties agrees not to commence any action, suit or proceeding relating thereto except in the courts described above in New York, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in New York as described

herein. Each of the parties further agrees that notice as provided herein shall constitute sufficient service of process and the parties further waive any argument that such service is insufficient. Each of the parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, (a) any claim that it is not personally subject to the jurisdiction of the courts in New York as described herein for any reason, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

Section 11.12. Specific Performance. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the parties shall be entitled to specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any New York State or federal court sitting in the City of New York (or, if such court lacks subject matter jurisdiction, in any appropriate New York State or federal court), this being in addition to any other remedy to which they are entitled at law or in equity. Each of the parties hereby further waives (a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any law to post security as a prerequisite to obtaining equitable relief.

Section 11.13. Disclosure Generally. Notwithstanding anything to the contrary contained in the Seller Disclosure Schedules or in this Agreement, the information and disclosures contained in any Seller Disclosure Schedule shall be deemed to be disclosed and incorporated by reference with respect to any other representation or warranty of Seller for which applicability of such information and disclosure is reasonably apparent on its face. The fact that any item of information is disclosed in any Seller Disclosure Schedule shall not be construed to mean that such information is required to be disclosed by this Agreement. Such information and the dollar thresholds set forth herein shall not be used as a basis for interpreting the terms "material" or "Material Adverse Effect" or other similar terms in this Agreement.

Section 11.14. "As Is" Sale; Release.

(a) EXCEPT FOR THOSE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE V, AND EXCEPT FOR THOSE ITEMS FOR WHICH BUYER IS EXPRESSLY INDEMNIFIED PURSUANT TO SECTION 9.2(A)(II), (I) THE BUSINESS IS BEING TRANSFERRED "AS IS, WHERE IS, WITH ALL FAULTS," AND (II) BUYER ACKNOWLEDGES THAT IT HAS NOT RELIED ON, AND SELLERS EXPRESSLY DISCLAIM, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF BUSINESS OR THE PURCHASED ASSETS OR THE PROSPECTS (FINANCIAL OR OTHERWISE), RISKS AND OTHER INCIDENTS OF THE BUSINESS OR THE PURCHASED ASSETS.

(b) Except for the obligations of Seller under this Agreement, for and in consideration of the transfer of the Business, the Purchased Assets and the Assumed Obligations, effective as of the Closing, Buyer shall and shall cause its Affiliates to absolutely and unconditionally release, acquit and forever discharge Seller and its Affiliates, each of their present and former officers, directors, managers, employees and agents and each of their respective heirs, executors, administrators, successors and assigns, from any and all costs, expenses, damages, debts, or any other obligations, liabilities and claims whatsoever, whether known or unknown, both in law and in equity, in each case to the extent arising out of or resulting from the ownership and/or operation of the Business, the Purchased Assets or the Assumed Obligations, or the assets, business, operations, conduct, services, products and/or employees (including former employees) of any of the Business (and any predecessors), whether related to any period of time before or after the Effective Date including, without limitation, as to liabilities under any Environmental Law; provided, however, in the event Buyer is sued by Seller or its Affiliates for any matter subject to this release, Buyer shall have the right to raise any defenses or counterclaims in connection with such lawsuits.

Section 11.15. Liability of Financing Sources. Notwithstanding anything to the contrary contained herein, none of the Financing Sources shall have any liability to Seller or its Affiliates relating to or arising out of this Agreement, the Financing or the transactions contemplated by this Agreement, whether at law or equity, in contract, in tort or otherwise, and neither Seller nor any of its Affiliates will have any rights or claims against any Financing Sources under this Agreement and any other agreement contemplated by, or entered into in connection with, the Financing, including any commitments by the Financing Sources in respect of the Financing. Notwithstanding anything herein to the contrary, in no event shall Seller or its Affiliates be entitled to seek the remedy of specific performance of this Agreement against any of the Financing Sources.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement or caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

PIVOTAL UTILITY HOLDINGS, INC., as Seller

By: _____
Name: Elizabeth W Reese
Title: Executive Vice President & CFO

SOUTH JERSEY INDUSTRIES, INC., as Buyer

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement or caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

PIVOTAL UTILITY HOLDINGS, INC., as Seller

By: _____
Name: _____
Title: _____

SOUTH JERSEY INDUSTRIES, INC., as Buyer

By: _____
Name: MICHAEL RENNA
Title: CEO

EXHIBIT A

FORM OF ASSIGNMENT OF EASEMENTS

This Instrument was prepared by
and after recording return to:

_____
_____
_____
_____

ASSIGNMENT AND ASSUMPTION AGREEMENT[1]
(Easement Agreements)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made and entered into as of this _____ day of _____, 20[__] by and between _____, a _____ ("Assignor"), to _____, a _____ (the "Assignee").

WITNESSETH:

WHEREAS, Assignor has agreed to assign to Assignee all of the right, title, and interest of Assignor in those certain easement agreements more particularly described on Exhibit A attached hereto (the "Easement Agreements") and Assignee has agreed to assume all obligations of Assignor under the Easement Agreements arising after the date of this Assignment.

NOW, THEREFORE, for and in consideration of the foregoing and good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:

1. Assignor hereby assigns to Assignee all of the right, title, and interest of Assignor in and to the Easement Agreements.

2. Assignee hereby assumes and agrees to keep, observe, and perform, or cause to be kept, observed, and performed, all covenants, agreements, and undertakings, whether arising before, on or after the date hereof, under the Easement Agreements.

3. The provisions of this Assignment shall be binding upon, and shall inure to the benefit of, each of the parties hereto and their respective successors, transferees and assigns. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same agreement.

4. Nothing in this Assignment shall alter in any manner or increase any liability or obligation of Assignee or Assignor, all of which shall be solely as set forth in that certain Asset Purchase Agreement, dated as of October 15, 2017, by and between Pivotal Utility Holdings, Inc. and South Jersey Industries, Inc. (the "Asset Purchase Agreement"), which shall govern the representations, warranties and obligations of the parties with respect to the Easement Agreements and all Purchased Assets (as defined in the Asset Purchase Agreement).

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed by their authorized representatives as of the day and year first above written.

---

[1] This Assignment has not been reviewed by local counsel and is subject to changes required by local law.

ASSIGNOR:

_____

By:_____
Its_____

On this the ____ day of _____, 20[__], before me, the undersigned officer, personally appeared _____, as _____ of _____, the Assignor, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public
My Commission Expires: _____
[Notarial Seal]

ASSIGNEE:

_____

By:_____
Its_____

On this the ____ day of _____, 20[__], before me, the undersigned officer, personally appeared _____, as _____ of _____, the Assignee, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public
My Commission Expires: _____
[Notarial Seal]

EXHIBIT A

Easement Agreements

EXHIBIT B

FORM OF ASSIGNMENT OF LEASES

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made and entered into as of the ___ day of _____, 20[__], by and between _____, a _____ ("Assignor") and _____, a _____ ("Assignee").

WITNESSETH:

WHEREAS, Assignor, as tenant, and _____, as landlord, entered into that certain [Lease Agreement] dated _____, as amended by _____ (as amended, the "Lease"), with respect to the lease of _____ (the "Premises") located at _____ and more particularly described in the Lease; and

WHEREAS, Assignor desires to assign its interest as tenant under the Lease to Assignee, and Assignee desires to succeed to all of Assignor's rights and obligations under the Lease.

NOW, THEREFORE, for and in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignor hereby transfers and assigns to Assignee all of Assignor's right, title, interest and obligations hereafter accruing in, to and under the Lease.

2. Assignee hereby accepts such transfer and assignment, specifically assuming all of Assignor's duties and obligations in, to and under the Lease, whether arising before, on or after the date hereof, and agrees faithfully to perform and observe each and every term, covenant and condition of the Lease to be performed or observed by the tenant therein for and during the remaining term thereof.

3. This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

4. Nothing in this Assignment shall alter in any manner or increase any liability or obligation of Assignee or Assignor, all of which shall be solely as set forth in that certain Asset Purchase Agreement, dated as of October 15, 2017, by and between Pivotal Utility Holdings, Inc. and South Jersey Industries, Inc. (the "Asset Purchase Agreement"), which shall govern the representations, warranties and obligations of the parties with respect to the Lease, Premises and all Purchased Assets (as defined in the Asset Purchase Agreement).

5. This Assignment may be executed in multiple counterparts, each of which shall constitute an original instrument, but all of which shall constitute one and the same agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed as of the day and year first above written.

ASSIGNOR:

_____,
a _____

By: _____
Name: _____
Its: _____

ASSIGNEE:

_____,
a _____

By: _____
Name: _____
Its: _____

EXHIBIT C

FORM OF BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

This BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEEMENT (this "**Conveyance**"), dated as of [_____], 20[__], is entered into by and between Pivotal Utility Holdings, Inc., a New Jersey corporation ("**Assignor**"), and [_____], a [_____] ("**Assignee**"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Asset Purchase Agreement, dated as of October 15, 2017, between Assignor and Assignee (the "**Agreement**").

RECITALS

WHEREAS, pursuant to the Agreement, Assignor has agreed to sell, convey, transfer, assign and deliver to Assignee the Purchased Assets at the Closing; and

WHEREAS, pursuant to the Agreement, Assignee has agreed to assume the Assumed Obligations at the Closing.

NOW THEREFORE, pursuant to the Agreement and in consideration of mutual promises it contains, and for other good and valuable consideration, the receipt and sufficiency of which Assignor and Assignee each acknowledge, the parties agree as follows:

ARTICLE I
CONVEYANCE OF PURCHASED ASSETS

1.1 Conveyance. Assignor hereby sells, conveys, transfers, assigns and delivers to Assignee all of the Purchased Assets, free and clear of all Encumbrances (other than Permitted Encumbrances). If, subsequent to the date of this Conveyance, any property or asset that is part of the Purchased Assets comes into possession of Assignor or any of its Affiliates, Assignor agrees to promptly deliver, or cause such Affiliate to deliver, such property or asset to Assignee without any requirement to pay any additional consideration.

ARTICLE II
ASSUMPTION OF LIABILITIES

As of the Closing, and in accordance with and subject to the terms and provisions of the Agreement, Assignee hereby assumes and agrees to duly and timely pay, perform and discharge, and indemnify and hold harmless Assignor from and against, the Assumed Obligations.

ARTICLE III
NO ADDITIONAL OBLIGATIONS

Notwithstanding anything to the contrary herein or otherwise, nothing in this Conveyance shall alter in any manner or increase any liability or obligation of Assignee or Assignor, all of which shall be solely as set forth in the Agreement, which shall govern the representations, warranties and obligations of the parties with respect to this Conveyance, the Assumed Obligations and all Purchased Assets.

ARTICLE IV
MISCELLANEOUS

4.1 Further Assurances. Without limiting the provisions of Article I above, Assignor from time to time hereafter and without further consideration, upon request of Assignee or its successor or assigns, covenants and agrees to execute and deliver to Assignee all such other and additional instruments and other documents, and to take all other actions, as may be reasonably necessary to more fully assure to Assignee or Assignee's successors or assigns, all of the Purchased Assets herein and hereby granted or intended so to be and the performance of all obligations of Assignor herein, including, without limitation, executing separate assignments of individual permits, licenses, contracts, deeds, leases or interests therein, which are included in the Purchased Assets and which are reasonably necessary or desirable to facilitate the recognition of Assignee's ownership of the Purchased Assets by all third parties and applicable governmental agencies and authorities. Such separate assignments (i) shall evidence the conveyance and assignment of the applicable Purchased Assets herein made and shall not constitute an additional conveyance or assignment of the Purchased Assets, (ii) are not intended to modify, and shall not modify, any of the terms, covenants and conditions herein set forth, and (iii) shall be deemed to contain all of the terms and provisions hereof; as fully and to all intents and purposes as though the same were set forth at length in the separate assignments.

4.2 Scope of Conveyance. This Conveyance is expressly subject to the Agreement. Nothing in this Conveyance shall be deemed to supersede, enlarge or modify any of the provisions of the Agreement, some of which survive the execution and delivery of this Conveyance as provided and subject to the limitations set forth in the Agreement. If any conflict exists between the terms of this Conveyance and the terms of the Agreement, the terms of the Agreement shall govern and control.

4.3 Applicable Law. The provisions contained in Section 11.6 of the Agreement shall be applicable to this Conveyance and are incorporated herein.

4.4 Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

4.5 Amendments and Waivers. Any provision of this Conveyance may be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may be given, only with the written agreement of Assignor and Assignee.

4.6 Headings, Recitals and Schedules. The headings of articles, sections and other subdivisions of this Conveyance have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof or affect in any way the meaning or interpretation of this Conveyance. With the exception of headings, all statements and recitals herein are contractual.

4.7 Negotiated Transaction. All provisions of this Conveyance were negotiated by the parties hereto and this Conveyance shall be deemed to have been drafted by each of the parties hereto.

4.8 Delivery. This Conveyance may be executed in multiple counterparts (each of which will be deemed an original, but all of which together will constitute one and the same instrument). Signatures to this Conveyance transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties hereto have caused this Conveyance to be executed as of the date hereof, to be effective as of the date hereof.

ASSIGNOR:

PIVOTAL UTILITY HOLDINGS, INC.

By: _____
Name: _____
Title: _____

ASSIGNEE:

[_____]

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF DEEDS

Prepared by:

_____

BARGAIN AND SALE DEED[1]

THIS BARGAIN AND SALE DEED is made as of _____, 20[__], between _____, a _____, with an address at _____, referred to herein as the "Grantor,"

- and -

_____, a _____, with an address at _____, referred to herein as the "Grantee."

TRANSFER OF OWNERSHIP. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for good and valuable consideration. The Grantor acknowledges receipt and sufficiency thereof.

TAX MAP REFERENCE.(N.J.S.A. 46:15-2.1) Map ____, File ____, County of _____ and State of New Jersey. Block ___, Lots _____.

PROPERTY. The property consists of (i) the land and all the buildings and structures on the land in the Township of _____, County of _____, and State of New Jersey commonly known as _____ (the "Real Property"), and (ii) the equipment, machinery and other items of tangible and intangible personal property, if any, affixed to the Real Property and used in connection with the operation of the Real Property (the "Personal Property", and collectively with the Real Property, the "Property"). The legal description of the Real Property is fully described in Exhibit "A" attached hereto and made a part hereof.

BEING the same premises which _____, a _____, by [Bargain and Sale Deed] dated _____, and recorded with the Office of the Clerk/Registrar of _____ County in Deed Book _____ at Page _____, granted and conveyed unto Grantor.

THE WITHIN CONVEYANCE is made subject to those items set forth on Exhibit "B" attached hereto and made a part hereof and without express or implied warranty of any kind whatsoever.

Nothing in this Deed shall alter in any manner or increase any liability or obligation of Grantor or Grantee, all of which shall be solely as set forth in that certain Asset

[1] This deed has not been reviewed by local counsel and is subject to changes required by local law.

Purchase Agreement, dated as of October 15, 2017, by and between Pivotal Utility Holdings, Inc. and South Jersey Industries, Inc. (the "Purchase Agreement"), which shall govern the representations, warranties and obligations of the parties with respect to the Property and all Purchased Assets (as defined in the Purchase Agreement).

All warranties that might arise by common law or by statute, including without limitation, _____, are excluded from this Deed. **EXCEPT AS EXPRESSLY SET FORTH IN THE PURCHASE AGREEMENT, THIS CONVEYANCE IS MADE WITHOUT WARRANTY OF TITLE (WHETHER STATUTORY, EXPRESS OR IMPLIED).**

All claims arising under or in any way related to this Bargain and Sale Deed shall, as between Grantor and Grantee, be resolved in accordance with, and subject to the limitations set forth in, the Purchase Agreement.

[*END OF PAGE; SIGNATURE AND ACKNOWLEDGMENT PAGES FOLLOW*]

IN WITNESS WHEREOF, the Grantor signs this Bargain and Sale Deed as of the date at the top of the first page.

GRANTOR:

_____
a _____

WITNESSED BY:

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

GRANTEE:

_____
a _____

WITNESSED BY:

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

GRANTOR ACKNOWLEDGMENT

STATE OF _____)
ss:
COUNTY _____)

I CERTIFY that on _____, 20[__], _____ personally came before me, and acknowledged under oath, to my satisfaction, that:

(a) she/he is the _____ of _____, a _____;

(b) this Bargain and Sale Deed was signed, sealed and delivered by said _____ as its voluntary act and deed duly authorized by a proper resolution or consent by its _____; and

(c) she/he made this Bargain and Sale Deed for $_____ as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5).

GRANTEE ACKNOWLEDGMENT

STATE OF _____)
ss:
COUNTY _____)

I CERTIFY that on _____, 20[__], _____ personally came before me, and acknowledged under oath, to my satisfaction, that:

(a) she/he is the _____ of _____, a _____;

(b) this Bargain and Sale Deed was signed, sealed and delivered by said _____ as its voluntary act and deed duly authorized by a proper resolution or consent by its _____; and

(c) she/he made this Bargain and Sale Deed for $_____ as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5).

BARGAIN AND SALE DEED	DATED: _____, 20[__]
_____, Grantor, TO _____, Grantee	Record and Return to: _____ _____ _____

Exhibit "A"

Description of the Property

Exhibit "B"

Permitted Encumbrances

WHEN RECORDED MAIL TO:

_____
_____
_____
_____

DEED[1]

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, _____ ("**Grantor**"), hereby conveys to _____ ("**Grantee**"), having an address at _____, the following described real property:

> See legal description set forth in **Exhibit A** attached and incorporated by this reference (the "**Land**"),

together with all of Grantor's right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to Grantor's right, title and interest in and to the adjacent streets, alleys and right-of-ways, and any easement rights, air rights, subsurface rights, development rights, wastewater capacities and credit reservations, and water rights, and together with the buildings, structures and other improvements located thereon (collectively, the "**Improvements**"), and the equipment, machinery and other items of tangible and intangible personal property, if any, affixed to the Land and used in connection with the operation of the Land (the "**Fixtures**", and collectively with the applicable Land and the Improvements thereon, the "**Property**").

This conveyance is made SUBJECT TO current real property taxes and all unpaid non-delinquent general and special taxes, bonds and assessments; all documents and matters of public record that are applicable to the Property as of the date hereof, all zoning ordinances and regulations and any other laws, ordinances or governmental regulations restricting or regulating the use, occupancy or enjoyment of the Property and without express or implied warranty.

TO HAVE AND TO HOLD the Property aforesaid unto said Grantee and its successors and assigns forever

Nothing in this Deed shall alter in any manner or increase any liability or obligation of Grantor or Grantee, all of which shall be solely as set forth in that certain Asset Purchase

[1] This deed has not been reviewed by local counsel and is subject to changes required by local law

Agreement, dated as of October 15, 2017, by and between Pivotal Utility Holdings, Inc. and South Jersey Industries, Inc. (the "**Purchase Agreement**"), which shall govern the representations, warranties and obligations of the parties with respect to the Property and all Purchased Assets (as defined in the Purchase Agreement).

All warranties that might arise by common law or by statute, including without limitation, _____, are excluded from this Deed. **EXCEPT AS EXPRESSLY SET FORTH IN THE PURCHASE AGREEMENT, THIS CONVEYANCE IS MADE WITHOUT WARRANTY OF TITLE (WHETHER STATUTORY, EXPRESS OR IMPLIED).**

All claims arising under or in any way related to this Deed shall, as between Grantor and Grantee, be resolved in accordance with, and subject to the limitations set forth in, the Purchase Agreement.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed as of _____, 20[__].

GRANTOR:

_____
a _____

_____)
)
_____) ss:

On this the ____ day of _____, 20[__], before me, the undersigned officer, personally appeared _____, as _____ of _____, the Grantor, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public
My Commission Expires: _____
[Notarial Seal]

GRANTEE:

_____
a _____

_____)
)
_____) ss:

On this the ____ day of _____, 20[__], before me, the undersigned officer, personally appeared _____, as _____ of _____, the Grantee, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public
My Commission Expires: _____
[Notarial Seal]

Proposed Structure of SJI

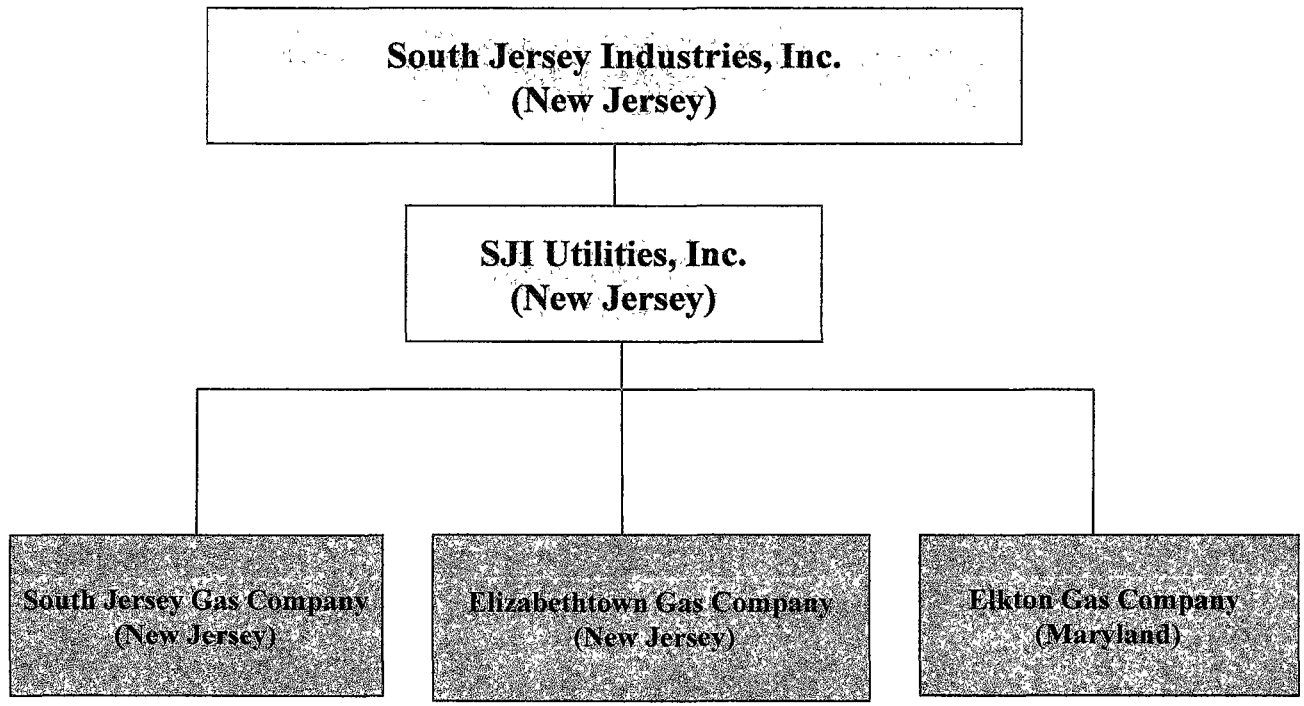


Exhibit C

EXHIBIT D

SOUTH JERSEY INDUSTRIES, INC.
MASTER SERVICES AGREEMENT

This agreement is made this ___ day of _____, 2018 between South Jersey Industries, Inc., having an address of 1 South Jersey Plaza, Folsom, New Jersey, 08037 (hereinafter referred to as "SJI") and Elizabethtown Gas Company, having an address of 520 Green Lane, Union, New Jersey 07083 (hereinafter referred to as "CLIENT")

WHEREAS, SJI is engaged in the provision of professional services to its clients including administrative, corporate communications, government relations, human resources, information system, legal and insurance services; and

WHEREAS, CLIENT requires such services and desires to purchase and obtain such services from SJI;

WHEREAS, CLIENT hereby wishes to enter into this Agreement; and

WHEREAS, SJI is willing to be compensated in accordance with the terms described in this Agreement and is willing to adhere to the terms and conditions hereinafter set forth.

NOW THEREFORE, SJI and CLIENT hereby agree as follows:

1. Definitions

As used herein, the following terms shall have the meanings hereinafter set forth:

(a) "Agreement" shall mean and refer to the document executed by and between the Parties herein and all Exhibits appended hereto.

(b) "CLIENT" shall mean the business entity that contracts with SJI to obtain the services or its subsidiary companies, employees, officers, agents and assigns.

(c) "Services" means the activities performed by SJI for CLIENT as fully set forth in Exhibit A to this Agreement.

(d) "Parties" shall mean and refer to SJI and CLIENT, collectively.

2. Scope of Services/Relationship of the Parties

(a) SJI shall provide the Services to CLIENT enumerated in **Exhibit A** to this Agreement as well as such other related activities that SJI may from time to time agree to perform at Client's request, subject to the applicable provisions of this Agreement.

(b) Neither SJI nor CLIENT shall be responsible for policy or management decisions of the other, such functions being reserved exclusively for each party to the Agreement, respectively.

(c) SJI shall provide the Services using personnel from within its own organization at hourly rates and benefits based on current rates of pay and benefit plans in existence. In addition, SJI may use persons from outside its organization with the approval of CLIENT, such approval not to be unreasonably withheld.

(d) In performing the Services, SJI shall be deemed an independent contractor. When using its employees to perform the Services, SJI shall be responsible for all salary, benefits, wages, supervision, insurance, and other incidentals of such employees' employment.

3. Service Levels

SJI shall perform the Services as set forth in the Service Level Agreement in **Exhibit B** to this Agreement.

4. Payment for Services/Records

(a) All of the Services rendered pursuant to this Agreement shall be charged in accordance with the fee methodologies set forth in **Exhibit C.**

(b) SJI shall provide CLIENT with an invoice for Services rendered on a monthly basis. Each invoice submitted by SJI to Client shall provide adequate detail describing the nature of the Services provided. CLIENT shall pay such invoice within 20 days after receipt to the extent such costs are not disputed. All disputes must be raised within 45 days after receipt of any invoice with a disputed cost.

(c) Upon the written request of CLIENT, SJI shall permit CLIENT reasonable access to its books and records for the purpose of auditing charges billed by SJI.

(d) SJI shall maintain its books and records pertinent to the Services provided to CLIENT for three (3) years from date of invoice.

5. Term of Contract

This Agreement shall commence on the date first written above and continue until terminated by either party upon the provision of at least three months prior written notice to the other.

6. Changes

No waiver, alteration, amendment, consent or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties.

7. Assignment

Neither SJI nor CLIENT may assign any of its rights or obligations hereunder, except with the prior written consent of the other.

8. Force Majeure

Force Majeure means an event that is beyond the reasonable control of, and without the fault or negligence of, the party claiming Force Majeure, which delays, hinders, or prevents performance of that party's obligations under this Agreement. Neither SJI nor CLIENT shall be liable to the other for loss or damage resulting from (1) any delay in performance, in whole or in part, or (2) nonperformance of its contractual obligations, in whole or in part, insofar as such delay or non-performance is caused by Force Majeure, provided that the party invoking Force Majeure provides written notice to the other party of the circumstances that led to the Force Majeure event.

9. Communication

(a) The Parties shall endeavor to engage in routine communication necessary and sufficient to effectuate the terms of this Agreement.

(b) The Parties further agree that SJI shall meet, as needed, with CLIENT's Management team and/or with individuals so designated by CLIENT to discuss matters of mutual concern.

10. Authority

(a) CLIENT shall, from time to time, provide SJI with the names of those individuals who are authorized to contract with SJI for the provision of the Services or otherwise bind CLIENT.

(b) SJI shall promulgate and maintain SJI's policies and procedures. CLIENT agrees to adhere to such SJI policies and procedures.

11. Notice

(a) All communications and notices by SJI to CLIENT pursuant to this Agreement shall be sent to and addressed as follows:

ETG Acquisition Corp.
520 Green Lane
Union, NJ 07083
Attention: President

All communications and notices by CLIENT to SJI pursuant to this Agreement shall be sent to and addressed as follows:

South Jersey Industries, Inc.
1 South Jersey Plaza
Folsom, New Jersey 08037
Attention: Chief Administrative Officer

(b) Either party may change the individual designated to receive such notices or communications or the address to which such notices or communications shall be directed by written notice to the other party.

(c) Any notice hereunder shall be deemed to have been given forty-eight (48) hours after it has been deposited in the United States Mail registered or certified, Federal Express, or UPS, properly addressed to the party for whom it is intended. Any notice that shall be hand delivered shall be deemed effective upon receipt.

12. Insurance & Indemnification

SJI may, with respect to the Services performed under this Agreement, self-insure or obtain insurance coverage with respect to its facilities and shall maintain coverage, as appropriate, naming CLIENT as an additional insured, as applicable.

13. General Limitations of Liability and Waiver

(a) SJI shall provide well-qualified and experienced staff to perform the Services pursuant to this Agreement. Names and backgrounds of said personnel shall be provided to CLIENT upon request.

(b) The Services provided by SJI hereunder shall be performed in a prudent, professional and workmanlike manner consistent with **Exhibit B** to this Agreement. If any Services provided by SJI fail to conform to this standard CLIENT shall, at its option, have the right to correct or re-perform such Services, the cost of which shall be deducted from the monies owed to SJIS.

(c) Except for the obligation in (b) above to assume the cost of CLIENT's correction or re-performance of the Services, SJI shall not be liable for any reason to CLIENT for claims for incidental, indirect, consequential, or other damages of any nature connected with or resulting from the performance or non-performance of this Agreement by SJI or CLIENT, whether or not due to negligence by SJI or CLIENT

(d) EXCEPT AS MAY BE PROVIDED IN PARAGRAPHS (a) AND (b) OF THIS PROVISION, NO WARRANTIES OF ANY KIND WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED, INCLUDING, WITHOUT LIMITATIONS, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, SHALL APPLY TO SERVICES PERFORMED HEREUNDER.

14. Applicable Law

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey except that the conflict of laws doctrine shall not apply.

(b) This Agreement shall be subject to approval by any regulatory body whose approval is a legal prerequisite to its execution, delivery or performance.

(c) Any provisions of this Agreement declared by a court of competent jurisdiction to be invalid, illegal or unenforceable in any state will, as to such state, be ineffective without invalidating any other provision.

15. Entire Agreement

This Agreement and Exhibits attached hereto comprise the entire Agreement between the Parties and there are no prior or contemporaneous verbal or written understandings or agreements different from those stated in this Agreement. Except as provided herein, no amendment or addendum to this Agreement or Exhibit update shall be effective unless it is in writing, signed by both Parties, and attached hereto. Exhibit updates will take effect five (5) business days after the date stated thereon.

16. Default

In the event that SJI shall be unable or unwilling to perform or provide any of the Services to or on behalf of CLIENT, CLIENT may perform such Services on its own behalf or contract with any other person or entity to perform such services upon receipt of express written consent by SJI. Upon any default by either party in performing its obligations under this Agreement, the non defaulting party may terminate this Agreement by serving upon the other party written notice of termination. Such termination shall be effective no less than thirty (30) days following the date of the termination notice.

Following such termination, the non-defaulting party shall have no further obligations under this Agreement.

17. Compliance with Laws

SJI warrants and represents that the performance of the Services pursuant to this Agreement will be in accordance with all standards, provisions and requirements of applicable laws.

18. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate by their duly authorized representatives, to become effective as of the date first written above.

SOUTH JERSEY INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

Elizabethtown Gas Company

By: _____
Name: _____
Title: _____

EXHIBIT A

TO BE SUPPLIED DURING PROCEEDING
(a)

Exhibit B

TO BE SUPPLIED DURING PROCEEDING

Exhibit C

FEE SCHEDULE

1. All employees of SJI will participate in the Time Recording System developed for SJI. Employees will enter time in accordance with the procedures established by SJI for recording time. CLIENT will be billed for time worked. Employee charges to CLIENT will include charges for employee benefits. Employee benefit costs will be allocated in accordance with the SJI Cost Allocation Manual. Fees will be evaluated on an annual basis and adjusted accordingly. Hourly fees by employee are available to CLIENT upon request.

2. For those certain employees who do not complete time sheets, their hourly rates and benefit costs are included in a unit cost that will be determined in accordance with the SJI Cost Allocation Manual and billed to the CLIENT.

SJI UTILITIES, INC.
SHARED SERVICES AGREEMENT

This agreement is made this ___ day of _____, 2018 between SJI Utilities, Inc., having an address of 1 South Jersey Plaza, Folsom, New Jersey, 08037 (hereinafter referred to as "SJI UTILITIES") and Elizabethtown Gas Company, having an address of 520 Green Lane, Union, New Jersey 07083 (hereinafter referred to as "CLIENT")

WHEREAS, SJI UTILITIES is engaged in the provision of professional services to its clients including administrative, corporate communications, government relations, human resources, information system, legal and insurance services; and

WHEREAS, CLIENT requires such services and desires to purchase and obtain such services from SJI UTILITIES;

WHEREAS, CLIENT hereby wishes to enter into this Agreement; and

WHEREAS, SJI UTILITIES is willing to be compensated in accordance with the terms described in this Agreement and is willing to adhere to the terms and conditions hereinafter set forth.

NOW THEREFORE, SJI UTILITIES and CLIENT hereby agree as follows:

1. Definitions

As used herein, the following terms shall have the meanings hereinafter set forth:

(a) "Agreement" shall mean and refer to the document executed by and between the Parties herein and all Exhibits appended hereto.

(b) "CLIENT" shall mean the business entity that contracts with SJI UTILITIES to obtain the services or its subsidiary companies, employees, officers, agents and assigns.

(c) "Services" means the activities performed by SJI UTILITIES for CLIENT as fully set forth in Exhibit A to this Agreement.

(d) "Parties" shall mean and refer to SJI UTILITIES and CLIENT, collectively.

2. Scope of Services/Relationship of the Parties

(a) SJI UTILITIES shall provide the Services to CLIENT enumerated in **Exhibit A** to this Agreement as well as such other related activities that SJI UTILITIES may from time to time agree to perform at Client's request, subject to the applicable provisions of this Agreement.

(b) Neither SJI UTILITIES nor CLIENT shall be responsible for policy or management decisions of the other, such functions being reserved exclusively for each party to the Agreement, respectively.

(c) SJI UTILITIES shall provide the Services using personnel from within its own organization at hourly rates and benefits based on current rates of pay and benefit plans in existence. In addition, SJI UTILITIES may use persons from outside its

organization with the approval of CLIENT, such approval not to be unreasonably withheld.

(d) In performing the Services, SJI UTILITIES shall be deemed an independent contractor. When using its employees to perform the Services, SJI UTILITIES shall be responsible for all salary, benefits, wages, supervision, insurance, and other incidentals of such employees' employment.

3. Service Levels

SJI UTILITIES shall perform the Services as set forth in the Service Level Agreement in **Exhibit B** to this Agreement.

4. Payment for Services/Records

(a) All of the Services rendered pursuant to this Agreement shall be charged in accordance with the fee methodologies set forth in **Exhibit C.**

(b) SJI UTILITIES shall provide CLIENT with an invoice for Services rendered on a monthly basis. Each invoice submitted by SJI UTILITIES to Client shall provide adequate detail describing the nature of the Services provided. CLIENT shall pay such invoice within 20 days after receipt to the extent such costs are not disputed. All disputes must be raised within 45 days after receipt of any invoice with a disputed cost.

(c) Upon the written request of CLIENT, SJI UTILITIES shall permit CLIENT reasonable access to its books and records for the purpose of auditing charges billed by SJI UTILITIES.

(d) SJI UTILITIES shall maintain its books and records pertinent to the Services provided to CLIENT for three (3) years from date of invoice.

5. Term of Contract

This Agreement shall commence on the date first written above and continue until terminated by either party upon the provision of at least three months prior written notice to the other.

6. Changes

No waiver, alteration, amendment, consent or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties.

7. Assignment

Neither SJI UTILITIES nor CLIENT may assign any of its rights or obligations hereunder, except with the prior written consent of the other.

8. Force Majeure

Force Majeure means an event that is beyond the reasonable control of, and without the fault or negligence of, the party claiming Force Majeure, which delays, hinders, or prevents performance of that party's obligations under this Agreement. Neither SJI UTILITIES nor CLIENT shall be liable to the other for loss or damage resulting from (1) any delay in performance, in whole or in part, or (2)

nonperformance of its contractual obligations, in whole or in part, insofar as such delay or non performance is caused by Force Majeure, provided that the party invoking Force Majeure provides written notice to the other party of the circumstances that led to the Force Majeure event.

9. Communication

(a) The Parties shall endeavor to engage in routine communication necessary and sufficient to effectuate the terms of this Agreement.

(b) The Parties further agree that SJI UTILITIES shall meet, as needed, with CLIENT's Management team and/or with individuals so designated by CLIENT to discuss matters of mutual concern.

10. Authority

(a) CLIENT shall, from time to time, provide SJI UTILITIES with the names of those individuals who are authorized to contract with SJI UTILITIES for the provision of the Services or otherwise bind CLIENT.

(b) SJI UTILITIES shall promulgate and maintain SJI UTILITIES's policies and procedures. CLIENT agrees to adhere to such SJI UTILITIES policies and procedures.

11. Notice

(a) All communications and notices by SJI UTILITIES to CLIENT pursuant to this Agreement shall be sent to and addressed as follows:

ETG Acquisition Corp.
520 Green Lane
Union, NJ 07083
Attention: President

All communications and notices by CLIENT to SJI UTILITIES pursuant to this Agreement shall be sent to and addressed as follows:

SJI Utilities, Inc.
1 South Jersey Plaza
Folsom, New Jersey 08037
Attention: Chief Administrative Officer

(b) Either party may change the individual designated to receive such notices or communications or the address to which such notices or communications shall be directed by written notice to the other party.

(c) Any notice hereunder shall be deemed to have been given forty-eight (48) hours after it has been deposited in the United States Mail registered or certified, Federal Express, or UPS, properly addressed to the party for whom it is intended. Any notice that shall be hand delivered shall be deemed effective upon receipt.

12. Insurance & Indemnification

SJI UTILITIES may, with respect to the Services performed under this Agreement, self-insure or obtain insurance coverage with respect to its facilities and shall maintain coverage, as appropriate, naming CLIENT as an additional insured, as applicable.

13. General Limitations of Liability and Waiver

(a) SJI UTILITIES shall provide well-qualified and experienced staff to perform the Services pursuant to this Agreement. Names and backgrounds of said personnel shall be provided to CLIENT upon request.

(b) The Services provided by SJI UTILITIES hereunder shall be performed in a prudent, professional and workmanlike manner consistent with **Exhibit B** to this Agreement. If any Services provided by SJI UTILITIES fail to conform to this standard CLIENT shall, at its option, have the right to correct or re-perform such Services, the cost of which shall be deducted from the monies owed to SJI UTILITIESS.

(c) Except for the obligation in (b) above to assume the cost of CLIENT's correction or re-performance of the Services, SJI UTILITIES shall not be liable for any reason to CLIENT for claims for incidental, indirect, consequential, or other damages of any nature connected with or resulting from the performance or non-performance of this Agreement by SJI UTILITIES or CLIENT, whether or not due to negligence by SJI UTILITIES or CLIENT

(d) EXCEPT AS MAY BE PROVIDED IN PARAGRAPHS (a) AND (b) OF THIS PROVISION, NO WARRANTIES OF ANY KIND WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED, INCLUDING, WITHOUT LIMITATIONS, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, SHALL APPLY TO SERVICES PERFORMED HEREUNDER.

14. Applicable Law

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey except that the conflict of laws doctrine shall not apply.

(b) This Agreement shall be subject to approval by any regulatory body whose approval is a legal prerequisite to its execution, delivery or performance.

(c) Any provisions of this Agreement declared by a court of competent jurisdiction to be invalid, illegal or unenforceable in any state will, as to such state, be ineffective without invalidating any other provision.

15. Entire Agreement

This Agreement and Exhibits attached hereto comprise the entire Agreement between the Parties and there are no prior or contemporaneous verbal or written understandings or agreements different from those stated in this Agreement. Except as provided herein, no amendment or addendum to this Agreement or Exhibit update shall be effective unless it is in writing, signed by both Parties, and attached hereto. Exhibit updates will take effect five (5) business days after the date stated thereon.

16. Default

In the event that SJI UTILITIES shall be unable or unwilling to perform or provide any of the Services to or on behalf of CLIENT, CLIENT may perform such Services on its own behalf or contract with any other person or entity to perform such services upon receipt of express written consent by SJI UTILITIES. Upon any default by either party in performing its obligations under this Agreement, the non-defaulting party may terminate this Agreement by serving upon the other party written notice of termination. Such termination shall be effective no less than thirty (30) days following the date of the termination notice. Following such termination, the non-defaulting party shall have no further obligations under this Agreement.

17. Compliance with Laws

SJI UTILITIES warrants and represents that the performance of the Services pursuant to this Agreement will be in accordance with all standards, provisions and requirements of applicable laws.

18. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate by their duly authorized representatives, to become effective as of the date first written above.

SJI UTILITIES, INC.

By: _____
Name: _____
Title: _____

Elizabethtown Gas Company

By: _____
Name: _____
Title: _____

EXHIBIT A

TO BE SUPPLIED DURING PROCEEDING
(a)

Exhibit B

TO BE SUPPLIED DURING PROCEEDING

Exhibit C

FEE SCHEDULE

1. All employees of SJI UTILITIES will participate in the Time Recording System developed for SJI UTILITIES. Employees will enter time in accordance with the procedures established by SJI UTILITIES for recording time. CLIENT will be billed for time worked. Employee charges to CLIENT will include charges for employee benefits. Employee benefit costs will be allocated in accordance with the SJI UTILITIES Cost Allocation Manual. Fees will be evaluated on an annual basis and adjusted accordingly. Hourly fees by employee are available to CLIENT upon request.

2. For those certain employees who do not complete time sheets, their hourly rates and benefit costs are included in a unit cost that will be determined in accordance with the SJI UTILITIES Cost Allocation Manual and billed to the CLIENT.

SJI UTILITIES, INC.
SHARED SERVICES AGREEMENT

This agreement is made this ___ day of _____, 2018 between SJI Utilities, Inc., having an address of 1 South Jersey Plaza, Folsom, New Jersey, 08037 (hereinafter referred to as "SJI UTILITIES") and South Jersey Gas Company, having an address of 1 South Jersey Plaza, Folsom, New Jersey 08037 (hereinafter referred to as "CLIENT")

WHEREAS, SJI UTILITIES is engaged in the provision of professional services to its clients including administrative, corporate communications, government relations, human resources, information system, legal and insurance services; and

WHEREAS, CLIENT requires such services and desires to purchase and obtain such services from SJI UTILITIES;

WHEREAS, CLIENT hereby wishes to enter into this Agreement; and

WHEREAS, SJI UTILITIES is willing to be compensated in accordance with the terms described in this Agreement and is willing to adhere to the terms and conditions hereinafter set forth.

NOW THEREFORE, SJI UTILITIES and CLIENT hereby agree as follows:

1. Definitions

As used herein, the following terms shall have the meanings hereinafter set forth:

(a) "Agreement" shall mean and refer to the document executed by and between the Parties herein and all Exhibits appended hereto.

(b) "CLIENT" shall mean the business entity that contracts with SJI UTILITIES to obtain the services or its subsidiary companies, employees, officers, agents and assigns.

(c) "Services" means the activities performed by SJI UTILITIES for CLIENT as fully set forth in Exhibit A to this Agreement.

(d) "Parties" shall mean and refer to SJI UTILITIES and CLIENT, collectively.

2. Scope of Services/Relationship of the Parties

(a) SJI UTILITIES shall provide the Services to CLIENT enumerated in **Exhibit A** to this Agreement as well as such other related activities that SJI UTILITIES may from time to time agree to perform at Client's request, subject to the applicable provisions of this Agreement.

(b) Neither SJI UTILITIES nor CLIENT shall be responsible for policy or management decisions of the other, such functions being reserved exclusively for each party to the Agreement, respectively.

(c) SJI UTILITIES shall provide the Services using personnel from within its own organization at hourly rates and benefits based on current rates of pay and benefit plans in existence. In addition, SJI UTILITIES may use persons from outside its

organization with the approval of CLIENT, such approval not to be unreasonably withheld.

(d) In performing the Services, SJI UTILITIES shall be deemed an independent contractor. When using its employees to perform the Services, SJI UTILITIES shall be responsible for all salary, benefits, wages, supervision, insurance, and other incidentals of such employees' employment.

3. Service Levels

SJI UTILITIES shall perform the Services as set forth in the Service Level Agreement in **Exhibit B** to this Agreement.

4. Payment for Services/Records

(a) All of the Services rendered pursuant to this Agreement shall be charged in accordance with the fee methodologies set forth in **Exhibit C.**

(b) SJI UTILITIES shall provide CLIENT with an invoice for Services rendered on a monthly basis. Each invoice submitted by SJI UTILITIES to Client shall provide adequate detail describing the nature of the Services provided. CLIENT shall pay such invoice within 20 days after receipt to the extent such costs are not disputed. All disputes must be raised within 45 days after receipt of any invoice with a disputed cost.

(c) Upon the written request of CLIENT, SJI UTILITIES shall permit CLIENT reasonable access to its books and records for the purpose of auditing charges billed by SJI UTILITIES.

(d) SJI UTILITIES shall maintain its books and records pertinent to the Services provided to CLIENT for three (3) years from date of invoice.

5. Term of Contract

This Agreement shall commence on the date first written above and continue until terminated by either party upon the provision of at least three months prior written notice to the other.

6. Changes

No waiver, alteration, amendment, consent or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties.

7. Assignment

Neither SJI UTILITIES nor CLIENT may assign any of its rights or obligations hereunder, except with the prior written consent of the other.

8. Force Majeure

Force Majeure means an event that is beyond the reasonable control of, and without the fault or negligence of, the party claiming Force Majeure, which delays, hinders, or prevents performance of that party's obligations under this Agreement. Neither SJI UTILITIES nor CLIENT shall be liable to the other for loss or damage resulting from (1) any delay in performance, in whole or in part, or (2)

nonperformance of its contractual obligations, in whole or in part, insofar as such delay or non performance is caused by Force Majeure, provided that the party invoking Force Majeure provides written notice to the other party of the circumstances that led to the Force Majeure event.

9. Communication

(a) The Parties shall endeavor to engage in routine communication necessary and sufficient to effectuate the terms of this Agreement.

(b) The Parties further agree that SJI UTILITIES shall meet, as needed, with CLIENT's Management team and/or with individuals so designated by CLIENT to discuss matters of mutual concern.

10. Authority

(a) CLIENT shall, from time to time, provide SJI UTILITIES with the names of those individuals who are authorized to contract with SJI UTILITIES for the provision of the Services or otherwise bind CLIENT.

(b) SJI UTILITIES shall promulgate and maintain SJI UTILITIES's policies and procedures. CLIENT agrees to adhere to such SJI UTILITIES policies and procedures.

11. Notice

(a) All communications and notices by SJI UTILITIES to CLIENT pursuant to this Agreement shall be sent to and addressed as follows:

South Jersey Gas Company.
1 South Jersey Plaza
Folsom, NJ 08037
Attention: President

All communications and notices by CLIENT to SJI UTILITIES pursuant to this Agreement shall be sent to and addressed as follows:

SJI Utilities, Inc.
1 South Jersey Plaza
Folsom, New Jersey 08037
Attention: Chief Administrative Officer

(b) Either party may change the individual designated to receive such notices or communications or the address to which such notices or communications shall be directed by written notice to the other party.

(c) Any notice hereunder shall be deemed to have been given forty-eight (48) hours after it has been deposited in the United States Mail registered or certified, Federal Express, or UPS, properly addressed to the party for whom it is intended. Any notice that shall be hand delivered shall be deemed effective upon receipt.

12. Insurance & Indemnification

SJI UTILITIES may, with respect to the Services performed under this Agreement, self-insure or obtain insurance coverage with respect to its facilities and shall maintain coverage, as appropriate, naming CLIENT as an additional insured, as applicable.

13. General Limitations of Liability and Waiver

(a) SJI UTILITIES shall provide well-qualified and experienced staff to perform the Services pursuant to this Agreement. Names and backgrounds of said personnel shall be provided to CLIENT upon request.

(b) The Services provided by SJI UTILITIES hereunder shall be performed in a prudent, professional and workmanlike manner consistent with **Exhibit B** to this Agreement. If any Services provided by SJI UTILITIES fail to conform to this standard CLIENT shall, at its option, have the right to correct or re-perform such Services, the cost of which shall be deducted from the monies owed to SJI UTILITIESS.

(c) Except for the obligation in (b) above to assume the cost of CLIENT's correction or re-performance of the Services, SJI UTILITIES shall not be liable for any reason to CLIENT for claims for incidental, indirect, consequential, or other damages of any nature connected with or resulting from the performance or non-performance of this Agreement by SJI UTILITIES or CLIENT, whether or not due to negligence by SJI UTILITIES or CLIENT

(d) EXCEPT AS MAY BE PROVIDED IN PARAGRAPHS (a) AND (b) OF THIS PROVISION, NO WARRANTIES OF ANY KIND WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED, INCLUDING, WITHOUT LIMITATIONS, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, SHALL APPLY TO SERVICES PERFORMED HEREUNDER.

14. Applicable Law

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey except that the conflict of laws doctrine shall not apply.

(b) This Agreement shall be subject to approval by any regulatory body whose approval is a legal prerequisite to its execution, delivery or performance.

(c) Any provisions of this Agreement declared by a court of competent jurisdiction to be invalid, illegal or unenforceable in any state will, as to such state, be ineffective without invalidating any other provision.

15. Entire Agreement

This Agreement and Exhibits attached hereto comprise the entire Agreement between the Parties and there are no prior or contemporaneous verbal or written understandings or agreements different from those stated in this Agreement. Except as provided herein, no amendment or addendum to this Agreement or Exhibit update shall be effective unless it is in writing, signed by both Parties, and attached hereto. Exhibit updates will take effect five (5) business days after the date stated thereon.

16. Default

In the event that SJI UTILITIES shall be unable or unwilling to perform or provide any of the Services to or on behalf of CLIENT, CLIENT may perform such Services on its own behalf or contract with any other person or entity to perform such services upon receipt of express written consent by SJI UTILITIES. Upon any default by either party in performing its obligations under this Agreement, the non-defaulting party may terminate this Agreement by serving upon the other party written notice of termination. Such termination shall be effective no less than thirty (30) days following the date of the termination notice. Following such termination, the non-defaulting party shall have no further obligations under this Agreement.

17. Compliance with Laws

SJI UTILITIES warrants and represents that the performance of the Services pursuant to this Agreement will be in accordance with all standards, provisions and requirements of applicable laws.

18. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate by their duly authorized representatives, to become effective as of the date first written above.

SJI UTILITIES, INC.

By: _____
Name: _____
Title: _____

SOUTH JERSEY GAS COMPANY

By: _____
Name: _____
Title: _____

EXHIBIT A

TO BE SUPPLIED DURING PROCEEDING
(a)

Exhibit B

TO BE SUPPLIED DURING PROCEEDING

Exhibit C

FEE SCHEDULE

1. All employees of SJI UTILITIES will participate in the Time Recording System developed for SJI UTILITIES. Employees will enter time in accordance with the procedures established by SJI UTILITIES for recording time. CLIENT will be billed for time worked. Employee charges to CLIENT will include charges for employee benefits. Employee benefit costs will be allocated in accordance with the SJI UTILITIES Cost Allocation Manual. Fees will be evaluated on an annual basis and adjusted accordingly. Hourly fees by employee are available to CLIENT upon request.

2. For those certain employees who do not complete time sheets, their hourly rates and benefit costs are included in a unit cost that will be determined in accordance with the SJI UTILITIES Cost Allocation Manual and billed to the CLIENT.

Exhibit F

Elizabethtown Gas Company
Schedule of Regulatory Asset and Liabilities
As of September 2017

GAAP Recogized Regulatory Assets

Unrecovered Weather Norm.	14,859,437
Recoverable Environmental Response Costs	77,520,994
Unrecoverd Pension Benefit	33,836,386
Recoverable Regional Greenhouse Gas	807,948
Unamortized Loss On Reacquired Debt	4,093,343
Rate Case Expenses	561,200
Def Clean Energy Program	1,467,092
BGSS Margin Sharing	172,049
Total	133,318,451

Equity Components not Recognized for GAAP Purposes

UIE	1,334,457
AIR	5,825,004
Total	7,159,461

Total Regulatory Assets	140,477,912

Regulatory Liabilities

Univeral Service Fund - Perm	1,030,657
Deferred Gas Cost	1,903,793
Unamortized Investment Tax Credit	83,982
Regulated Tax Liability	514,307
Regulatory Liability -LIFELINE	82,057
Total	3,614,796

WRITTEN CONSENT OF
THE SOLE SHAREHOLDER OF
PIVOTAL UTILITY HOLDINGS, INC.

Pursuant to Sections 14A:5-6 and 14A:6-7.1(5) of the New Jersey Business Corporation Act, the undersigned, being the sole shareholder (the "Shareholder") of Pivotal Utility Holdings, Inc., a New Jersey corporation (the "Company"), hereby consent without a meeting to the adoption, as of October 15, 2017, of the following resolutions:

Authorization regarding the Scarlet Transaction

WHEREAS, the Company is the owner of Elizabethtown Gas ("Scarlet"), an operating division of the Company, and desires to sell substantially all of the assets of Scarlet to South Jersey Industries, Inc. ("Buyer") pursuant to an Asset Purchase Agreement between the Company and Buyer substantially in the form attached hereto as Exhibit A (the "Scarlet Agreement");

WHEREAS, after careful consideration, the Shareholder has determined that it is in the best interests of the Company to enter into the Scarlet Agreement, pursuant to which Buyer will purchase and (A) obtain all right, title and interest in substantially all of the assets of Scarlet and (B) assume certain liabilities and obligations of the Company or its affiliates relating to, resulting from or arising out of, the business of the Company or the assets of Scarlet, from the Company (the "Scarlet Transaction"); and

WHEREAS, the Board of Directors of the Company has recommended to the Shareholder that the Shareholder authorizes and approves the Scarlet Transaction pursuant to the Scarlet Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Shareholder hereby adopts the recommendation of the Board of Directors of the Company and authorizes and approves of the Scarlet Transaction, pursuant to the Scarlet Agreement.

Authorization regarding the Starfish Transaction

WHEREAS, the Company is the owner of Elkton Gas ("Starfish"), an operating division of the Company, and desires to sell substantially all of the assets of Starfish to South Jersey Industries, Inc. ("Buyer") pursuant to an Asset Purchase Agreement between the Company and Buyer substantially in the form attached hereto as Exhibit B (the "Starfish Agreement");

WHEREAS, after careful consideration, the Shareholder has determined that it is in the best interests of the Company to enter into the Starfish Agreement, pursuant to which Buyer will purchase and (A) obtain all right, title and interest in substantially all of the assets of Starfish and (B) assume certain liabilities and obligations of the Company or its affiliates relating to, resulting from or arising out of, the business of the Company or the assets of Starfish, from the Company (the "Starfish Transaction"); and

WHEREAS, the Board of Directors of the Company has recommended to the Shareholder that the Shareholder authorize and approve the Starfish Transaction pursuant to the Starfish Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Shareholder hereby adopts the recommendation of the Board of Directors of the Company and authorizes and approves the Starfish Transaction, pursuant to the Starfish Agreement.

General Authorizations

RESOLVED, that the officers of the Company (the "Authorized Officers") are, and each of them (acting alone) hereby is, authorized and directed to do and perform, or cause to be done and performed, all such acts, deeds and things and to make, execute and deliver or cause to be made, executed and delivered, all such agreements and amendments thereto, with such changes thereto as such Authorized Officers shall approve, and the execution thereof by any such Authorized Officer shall be conclusive evidence of the approval and authorization thereof by the Shareholder, in the name and on behalf of the Company as each such Authorized Officer may deem necessary and desirable or appropriate to effectuate or carry out fully the purpose and intent of the foregoing resolutions and any of the transactions contemplated thereby;

FURTHER RESOLVED, that the Authorized Officers are, and each of them (acting alone) hereby is, authorized and directed, in the name of and on behalf of the Company, to take all actions and steps necessary or appropriate in connection with obtaining (i) any and all consents, waivers or authorizations from third parties and (ii) approval of such transactions by any federal, state, local or other governmental agency or authority, to execute any and all required notifications, certificates, applications, reports, consents or other instruments or any amendments or supplements thereto, and to effect any and all necessary filings or any amendments or supplements thereto, with any and all appropriate federal, state, local or other governmental agencies or authorities;

FURTHER RESOLVED, without limiting the generality of the foregoing, that the Authorized Officers be, and each of them (acting alone) hereby is, authorized and directed, in the name and on behalf of the Company, to pay all fees incurred in connection with the transactions contemplated by the foregoing resolutions, including, without limitation, filing fees and fees and expenses of the Company's attorneys, auditors and financial advisors, such payment to be conclusive evidence of their determination;

FURTHER RESOLVED, that any and all actions heretofore taken by any Authorized Officer in connection with the matters contemplated by the foregoing resolutions be, and they hereby are, approved, ratified and confirmed in all respects as fully as if such actions had been presented to the Shareholder for its approval prior to such action or actions being taken;

FURTHER RESOLVED, that this consent shall constitute an express waiver by the Shareholder of the right to receive any and all material that would have been required to have been sent to the Shareholder in a notice of a meeting at which the above actions would have been submitted; and

FURTHER RESOLVED, that this consent, when so executed and delivered, shall have the same force and effect as the vote of the Shareholder in favor of the above resolutions at a meeting duly convened.

(Signature appears on the following page)

IN WITNESS WHEREOF, this Consent has been executed by the undersigned Shareholder as of the date first written above.

SOLE SHAREHOLDER:

NUI Corporation

By: _____
Henry P. Linginfelter
President

Exhibit H

Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas
Comparative Balance Sheets

		As of September 31, 2017
Assets And Other Debits		
Utility Plant		
101	Utility Plant in Service	$ 1,380,320,608
107	Construction Work in Progress	28,423,466
108	Accumulated Provision for Depreciation	(338,582,844)
	Net Utility Plant	1,070,161,230
Other Property And Investments		
	Total Other Property and Investments	-
Current And Accrued Assets		
131	Cash	-
142	Customer Accounts Receivable	18,649,418
143	Other Accounts Receivable	1,104,089
144	Accumulated Provisions for Uncollectible Accounts	(4,550,550)
154	Plant Materials & Operating Supplies	274,988
164.1	Gas Stored Underground - Current	27,260,917
164.3	Liquefied Natural Gas Held for Processing	1,382,174
165	Prepayments	26,954,825
176	Derivative Instrument Assets - Hedges	737,709
	Total Current and Accrued Assets	71,813,550
Deferred Debits		
181	Unamortized Debt Expense	697,665
182.3	Other Regulatory Assets	130,638,122
186	Miscellaneous Deferred Debits	40,000
189	Unamortized Loss on Reacquired Debt	3,978,663
190	Accumulated Deferred Income Taxes	2,682,528
191	Unrecovered Purchased Gas Costs	-
	Total Deferred Debits	138,036,978
Total Assets And Other Debits		$ 1,280,011,758

Exhibit H

Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas
Comparative Balance Sheets

		As of September 31, 2017
Liabilities And Other Credits		
Proprietary Capital		
208-211	Other Paid-In Capital	$ 132,019,251
216	Retained Earnings	254,108,804
219	Accumulated Other Comprehensive Income	-
	Total Proprietary Capital	386,128,055
Long-Term Debt		
223	Advances from Associated Companies	167,527,985
224	Other Long-Term Debt	180,100,000
226	Unamortized Debt Discount	(114,681)
	Total Long-Term Debt	347,513,304
Other Noncurrent Liabilities		
227	Obligations Under Capital Leases	-
228.2	Accumulated Provision for Injuries & Damages	-
228.3	Accumulated Provision for Pensions & Benefits	19,678,835
228.4	Accumulated Miscellaneous Operating Provisions	277,777
	Total Other Noncurrent Liabilities	19,956,612
Current And Accrued Liabilities		
232	Accounts Payable [1]	15,514,516
234	Accounts Payable to Associated Companies	158,059,792
235	Customer Deposits	7,645,925
236	Taxes Accrued	1,924,241
237	Interest Accrued	178,093
241	Tax Collections Payable	2,417,275
242	Miscellaneous Current & Accrued Liabilities [1]	1,578,357
	Total Current and Accrued Liabilities	187,318,199
Deferred Credits		
252	Customer Advances for Construction	1,058,931
253	Other Deferred Credits	89,293,199
254	Other Regulatory Liabilities	2,970,722
255	Accumulated Deferred Investment Tax Credits	83,982
282	Accumulated Deferred Other Property	243,701,969
283	Accumulated Deferred Other	1,986,785
	Total Deferred Credits	339,095,588
Total Liabilities And Other Credits		$ 1,280,011,758

Note: This financial statement was prepared on a regulatory basis in accordance with the Uniform System of Accounts. It includes amounts related to an allowed equity rate of return on assets associated with our regulatory infrastructure programs in the United States of America (GAAP).

South Jersey Industries

South Jersey Industries, Inc.
Consolidating Balance Sheet
as of September 2017

Exhibit H

		South Jersey Industries, Inc.	South Jersey Gas Company	South Jersey Energy Solutions, LLC Consolidated	South Jersey Industries Services, LLC	Energy & Minerals, Inc. Consolidated	R & T Group, Inc.	SJI Midstream, LLC Consolidated	Total	Eliminations & Adjustments	September 2017 Consolidated Total
Assets	Utility Plant, at original cost	$0.00	$2,591,245,700.22	$0.00	$0.00	$0.00	$0.00	$0.00	$2,591,245,700.22	$0.00	$2,591,245,700.22
Property, Plant and Equipment:	Accumulated Depreciation and Amortization	$0.00	($489,755,284.92)	$0.00	$0.00	$0.00	$0.00	$0.00	($489,755,284.92)	$0.00	($489,755,284.92)
	Nonutility Property and Equipment, at cost	$2,867,977.50	$0.00	$821,034,177.23	$0.00	$0.00	$0.00	$194,433.83	$824,096,588.56	($43,965,566.41)	$780,131,022.15
	Accumulated Depreciation	($2,272,391.66)	$0.00	($181,202,374.34)	$0.00	$0.00	$0.00	$0.00	($183,474,766.00)	$0.00	($183,474,766.00)
	Total Property, Plant and Equipment:	$595,585.84	$2,101,490,415.30	$639,831,802.89	$0.00	$0.00	$0.00	$194,433.83	$2,742,112,237.86	($43,965,566.41)	$2,698,146,671.45
	Investments in Subsidiaries	$1,247,996,064.88	$0.00	$0.00	$0.00	($32,126.07)	$0.00	$0.00	$1,247,963,938.81	($1,247,963,938.81)	$0.00
	Available-for-Sale Securities	$31,491.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$31,491.00	$0.00	$31,491.00
Investments:	Restricted	$0.00	$890,571.18	$4,754,580.36	$0.00	$0.00	$0.00	$0.00	$5,645,151.54	$0.00	$5,645,151.54
	Investment in Affiliates	$0.00	$0.00	$5,237,789.63	$0.00	$0.00	$0.00	$48,900,147.17	$54,137,936.80	$0.00	$54,137,936.80
	Total Investments:	$1,248,027,555.88	$890,571.18	$9,992,369.99	$0.00	($32,126.07)	$0.00	$48,900,147.17	$1,307,778,518.15	($1,247,963,938.81)	$59,814,579.34
	Cash and Cash Equivalents	$489,025.88	$403,862.79	$490.95	$0.00	($145.05)	$0.00	$12,787,923.64	$13,681,157.99	$0.00	$13,681,157.99
Current Assets:	Notes Receivable - Associated Companies	$649,704,749.46	$0.00	($614,225,533.16)	$0.00	($5,125,960.75)	$4,153,023.57	($34,506,279.12)	$0.00	$0.00	$0.00
	Notes Receivable - Affiliate	$0.00	$0.00	$2,420,822.86	$0.00	$0.00	$0.00	$0.00	$2,420,822.86	$0.00	$2,420,822.86
	Notes Receivable	$0.00	$0.00	$1,107,112.85	$0.00	$0.00	$0.00	$0.00	$1,107,112.85	$0.00	$1,107,112.85
	Accounts Receivable	$14,026.06	$67,369,236.76	$85,338,181.24	$0.00	$561.47	$0.00	$0.00	$152,722,005.53	($2,115,068.17)	$150,606,937.36
	Unbilled Revenues	$0.00	$6,004,232.29	$13,168,618.88	$0.00	$0.00	$0.00	$0.00	$19,172,851.17	$0.00	$19,172,851.17
	Provision for Uncollectibles	$0.00	($13,576,735.56)	($188,419.31)	$0.00	$0.00	$0.00	$0.00	($13,765,154.87)	$0.00	($13,765,154.87)
	Accounts Receivable - Associated Companies	$4,242,036.55	$805,282.31	$2,987,510.50	$0.00	$0.00	$0.00	$0.00	$8,034,829.36	($8,034,829.36)	$0.00
	Natural Gas in Storage, Average Cost	$0.00	$18,618,349.15	$36,883,934.49	$0.00	$0.00	$0.00	$0.00	$55,502,283.64	$0.00	$55,502,283.64
	Materials and Supplies, Average Cost	$0.00	$890,335.41	$5,703,634.41	$0.00	$0.00	$0.00	$0.00	$6,593,969.82	$0.00	$6,593,969.82
	Assets of Discontinued Businesses Held for Disposal	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Accumulated Deferred Income Taxes	$1,246,346.00	$0.00	$831,434.51	$0.00	$0.00	$0.00	$0.00	$2,077,780.51	($2,077,781.00)	($0.49)
	Derivatives - Energy Related Assets	$0.00	$7,608,483.53	$39,498,847.18	$0.00	$0.00	$0.00	$0.00	$47,107,330.71	($5,038,822.39)	$42,068,508.32
	Dividends Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Prepaid Taxes	$0.00	$11,598,861.62	$209,550.00	$0.00	$0.00	$0.00	$0.00	$11,808,411.62	$336,181.00	$12,144,592.62
	Other Prepayments and Current Assets	$704,343.41	$14,690,897.34	$18,473,696.63	$0.00	$141,373.39	$20,285.46	$0.00	$33,930,596.23	$0.00	$33,930,596.23
	Total Current Assets:	$656,400,527.14	$114,312,805.84	($407,790,117.97)	$0.00	($4,984,170.84)	$4,173,309.03	($21,718,355.48)	$340,393,997.42	($16,930,319.92)	$323,463,677.50
	Goodwill	$0.00	$0.00	$4,838,421.47	$0.00	$0.00	$0.00	$0.00	$4,838,421.47	$0.00	$4,838,421.47
	Identifiable Intangible Assets	$0.00	$0.00	$14,972,500.12	$0.00	$0.00	$0.00	$0.00	$14,972,500.12	$0.00	$14,972,500.12
Regulatory and Other Non-Current Assets:	Environmental Remediation Costs	$0.00	$270,528,933.82	$0.00	$0.00	$0.00	$0.00	$0.00	$270,528,933.82	$0.00	$270,528,933.82
	Accumulated Deferred Income Taxes	($17,014,698.27)	$0.00	$345,676,286.68	$0.00	$1,056,787.50	$15,954.50	$84,491.00	$329,818,821.41	($329,818,821.00)	$0.41
	Income Taxes - Flowthrough Depreciation	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Asset Retirement Obligations	$0.00	$42,282,973.18	$0.00	$0.00	$0.00	$0.00	$0.00	$42,282,973.18	$0.00	$42,282,973.18
	Deferred Postretirement Benefit Costs	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Prepaid Pension	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Derivatives - Energy Related Assets	$0.00	$57,879.47	$8,596,040.08	$0.00	$0.00	$0.00	$0.00	$8,653,919.55	($1,004,199.26)	$7,649,720.29
	Derivatives - Other	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Deferred Gas Fuel Costs	$0.00	$15,244,679.22	$0.00	$0.00	$0.00	$0.00	$0.00	$15,244,679.22	$0.00	$15,244,679.22
	CIP A/R	$0.00	$32,428,738.38	$0.00	$0.00	$0.00	$0.00	$0.00	$32,428,738.38	$0.00	$32,428,738.38
	Temperature Adjustment Clause	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Societal Benefit Costs	$0.00	$906,067.11	$0.00	$0.00	$0.00	$0.00	$0.00	$906,067.11	$0.00	$906,067.11
	Unamortized Premium for Debt Retirement - Reg Asset	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Pension & Post-Retirement - Regulatory asset	$0.00	$85,693,362.00	$0.00	$0.00	$0.00	$0.00	$0.00	$85,693,362.00	$0.00	$85,693,362.00
	Other Regulatory Assets	$0.00	$30,371,841.91	$0.00	$0.00	$0.00	$0.00	$0.00	$30,371,841.91	$0.00	$30,371,841.91
	Unamortized Debt Issuance Costs	$2,375,335.65	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,375,335.65	($2,375,335.65)	$0.00
	Notes Receivable - Affiliate	$0.00	$0.00	$13,274,626.14	$0.00	$0.00	$0.00	$0.00	$13,274,626.14	$0.00	$13,274,626.14
	Contract Receivables	$0.00	$25,539,094.65	$2,975,315.84	$0.00	$0.00	$0.00	$0.00	$28,514,410.49	$0.00	$28,514,410.49
	Notes Receivable	$0.00	$0.00	$19,087,658.87	$0.00	$0.00	$0.00	$0.00	$19,087,658.87	$0.00	$19,087,658.87
	Other	$50,070,442.62	$17,027,333.42	$24,071,142.93	$0.00	$1,627,815.60	$0.00	$0.00	$92,796,734.57	$50,008.82	$92,846,743.39
	Total Regulatory and Other Non-Current Assets:	$35,431,080.00	$520,080,903.16	$433,491,692.13	$0.00	$2,684,603.10	$15,954.50	$84,491.00	$991,789,023.89	($333,148,347.09)	$658,640,676.80
	Total Assets:	$1,940,454,748.86	$2,736,774,695.28	$675,526,047.04	$0.00	($2,331,693.91)	$4,189,263.53	$27,460,716.52	$5,382,073,777.32	($1,642,008,172.23)	$3,740,065,605.09

South Jersey Industries

South Jersey Industries, Inc.
Consolidating Balance Sheet
as of September 2017

Exhibit H

		South Jersey Industries, Inc.	South Jersey Gas Company	South Jersey Energy Solutions, LLC Consolidated	South Jersey Industries Services, LLC	Energy & Minerals, Inc. Consolidated	R & T Group, Inc.	SJI Midstream, LLC Consolidated	Total	Eliminations & Adjustments	September 2017 Consolidated Total
Capitalization and Liabilities	Treasury Stock	($266,326.09)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($266,326.09)	$0.00	($266,326.09)
Common Equity:	Common Stock SJI, Par Value	$99,436,349.25	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$99,436,349.25	$0.00	$99,436,349.25
	Common Stock - Subsidiaries	$0.00	$5,847,847.50	$0.00	$0.00	$13,283,453.03	$1,000,000.00	$0.00	$20,131,300.53	($20,131,300.53)	$0.00
	Premium on Common Stock	$717,558,133.79	$355,743,634.32	$51,155,981.17	$0.00	$1,584,264.48	$7,800,000.00	$23,909,769.00	$1,157,751,782.76	($439,088,776.31)	$718,663,004.45
	Capital Stock Expense	($9,214,503.10)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($9,214,503.10)	$0.00	($9,214,503.10)
	Accumulated Other Comprehensive Income	($25,851,948.98)	($14,913,626.39)	($3,358,695.78)	$0.00	($122,162.50)	($122,162.50)	$0.00	($44,368,596.15)	$18,516,647.17	($25,851,948.98)
	Retained Earnings	$464,962,443.78	$576,253,292.34	$254,040,273.13	$0.00	($21,910,713.00)	($5,771,987.53)	$3,550,947.52	$1,271,124,256.24	($832,540,824.80)	$438,583,431.44
	Total Common Equity:	$1,248,624,148.85	$922,931,147.77	$301,837,558.52	$0.00	($7,165,157.99)	$2,905,849.97	$27,460,716.52	$2,494,594,263.44	($1,273,244,256.47)	$1,221,350,006.97
Minority Interest:		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Preferred Stock of Subsidiary:		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Long Term Debt:		$375,000,000.00	$807,693,886.47	$0.00	$0.00	$0.00	$0.00	$0.00	$1,182,693,886.47	($2,375,335.65)	$1,180,318,530.82
Current Liabilities:	Notes Payable - Banks	$280,100,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$280,100,000.00	$0.00	$280,100,000.00
	Notes Payable - Affiliate	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Current Maturities of Long-Term Debt	$0.00	$10,909,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$10,909,000.00	$0.00	$10,909,000.00
	Notes Payable - Associated Companies	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Accounts Payable	$960,201.40	$68,656,564.03	$137,770,096.38	$0.00	$1,020,524.67	$0.00	$0.00	$208,407,386.48	($386,528.92)	$208,020,857.56
	Accounts Payable to Associated Companies	$282,891.80	$5,655,940.75	$3,824,376.56	$0.00	$141.74	$17.76	$0.00	$9,763,368.61	($9,763,368.61)	$0.00
	Customer Deposits	$0.00	$56,149,283.45	$1,948,568.79	$0.00	$0.00	$0.00	$0.00	$58,097,852.24	$0.00	$58,097,852.24
	Accumulated Deferred Income Taxes - Net	$300,035.00	$0.00	$6,313,559.56	$0.00	$4,020.00	$3,218.00	$0.00	$6,620,832.56	($6,620,833.00)	($0.44)
	Taxes Accrued	$1,594,379.55	$1,524,370.05	($21,873,551.81)	$0.00	($118,359.40)	$1,110,152.37	$0.00	($17,763,009.24)	$20,229,581.00	$2,466,571.76
	Environmental Remediation Costs	$6,999.00	$57,081,913.51	$0.00	$0.00	$307,417.35	$0.00	$0.00	$57,406,329.86	$0.00	$57,406,329.86
	Interest Accrued	$1,270,984.25	$5,570,566.89	($938.54)	$0.00	$0.00	$0.00	$0.00	$6,840,612.40	$0.00	$6,840,612.40
	Dividends Declared	$21,677,124.14	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$21,677,124.14	$0.00	$21,677,124.14
	Derivatives - Energy Related Liabilities	$0.00	$4,466,657.03	$27,426,520.91	$0.00	$0.00	$0.00	$0.00	$31,893,177.94	($4,983,343.39)	$26,909,834.55
	Derivatives - Other	$0.00	$398,421.00	$0.00	$0.00	$0.00	$0.00	$0.00	$398,421.00	$399,731.00	$798,152.00
	Deferred Contract Revenues	$0.00	$0.00	$274,079.07	$0.00	$0.00	$0.00	$0.00	$274,079.07	$0.00	$274,079.07
	Pension and Other Postretirement Benefits	$0.00	$2,428,076.00	$0.00	$0.00	$17,289.50	$17,288.50	$0.00	$2,462,654.00	$0.00	$2,462,654.00
	Other Current Liabilities	$2,253,723.65	$4,010,988.34	$2,488,291.39	$0.00	$18,880.00	$900.00	$0.00	$8,772,783.38	($566,557.68)	$8,206,225.70
	Total Current Liabilities:	$308,446,338.79	$216,861,780.85	$158,171,002.31	$0.00	$1,249,913.86	$1,131,576.63	$0.00	$685,860,612.44	($1,891,319.60)	$684,169,292.84
Deferred Credits and Other Non-Current Liabilities:	Pension and Other Postretirement Benefits	$7,464,010.01	$79,183,189.85	$4,325,321.30	$0.00	$521,064.97	$214,498.64	$0.00	$91,708,084.77	$0.00	$91,708,084.77
	Accumulated Deferred Income Taxes - Net	($1,117,491.59)	$497,139,281.94	$202,316,586.03	$0.00	($83,022.50)	($79,203.50)	$0.00	$698,176,150.38	($362,755,723.07)	$335,420,427.31
	Investment Tax Credits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Deferred Revenues - Net	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Environmental Remediation Costs	$82,933.00	$119,224,576.00	$0.00	$0.00	$815,821.09	$0.00	$0.00	$120,123,330.09	$0.00	$120,123,330.09
	Derivatives - Energy Related Liabilities	$0.00	$69,640.14	$5,298,843.07	$0.00	$0.00	$0.00	$0.00	$5,368,483.21	($1,009,669.44)	$4,358,813.77
	Derivatives - Other	$3,997,310.00	$6,881,160.48	$0.00	$0.00	$0.00	$0.00	$0.00	$10,878,470.48	($399,731.00)	$10,478,739.48
	Asset Retirement Obligations	$0.00	$58,431,074.43	$774,621.11	$0.00	$0.00	$0.00	$0.00	$59,205,695.54	$0.00	$59,205,695.54
	Regulatory Liabilities	$0.00	$23,484,889.99	$0.00	$0.00	$0.00	$0.00	$0.00	$23,484,889.99	$0.00	$23,484,889.99
	Financing Obligation	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Other	($42,500.00)	$4,874,107.36	$2,802,114.70	$0.00	$2,329,686.66	$16,541.79	$0.00	$9,979,950.51	($532,137.00)	$9,447,813.51
	Total Deferred Credits and Other Non-Current Liabilities:	$10,384,261.42	$789,287,900.19	$215,517,486.21	$0.00	$3,583,550.22	$151,836.93	$0.00	$1,018,925,034.97	($364,697,260.51)	$654,227,774.46
	Total Capitalization and Liabilities:	$1,940,454,748.86	$2,736,774,695.28	$675,526,047.04	$0.00	($2,331,693.91)	$4,189,263.53	$27,460,716.52	$5,382,073,777.32	($1,642,008,172.23)	$3,740,065,605.09

Exhibit I

Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas
Comparative Statements of Income for September

		Month 2017	YTD 2017
Utility Operating Income			
400	Operating Revenues	$ 9,725,724	$ 207,079,905
Operating Expenses			
401	Operation Expenses	7,494,812	130,375,067
402	Maintenance Expenses	613,314	6,155,451
403	Depreciation	2,426,347	21,207,439
404-405	Amort. & depl. Of Utility Plant	-	6,516
408.1	Taxes Other Than Income Taxes	335,599	4,497,253
409.1	Income Taxes - Federal	(9,769,775)	(14,633,520)
409.1	Income Taxes - Other (State)	(1,025,884)	77,882
410.1	Provision for Deferred Income Taxes	9,777,334	27,997,651
411.4	Investment Tax Credit Adjustments - Net	(7,172)	(64,556)
	Total Operating Expenses	9,844,575	175,619,183
Net Operating Income (Loss)		(118,851)	31,460,722
Other Income (Deductions)			
415-421.1	Other Income	(28,793)	(308,687)
426.1-426.5	Miscellaneous Income Deductions	(23,000)	(110,911)
409.2-410.2	Income Taxes	21,158	(450,545)
	Net Other Income (Deductions)	(30,635)	(870,143)
Interest Charges			
427	Interest on Long - Term Debt	250,923	1,926,848
428/ 428.1	Amort of Debt Disc and Exp & Loss on Reacquired Debt	42,506	382,558
430	Interest on Debt to Assoc. Companies	1,066,159	9,931,367
431	Other Interest Expense	32,101	(164,591)
432	Allowance for Borrowed Funds	(31,671)	(311,565)
	Net Interest Charges	1,360,018	11,764,617
Net Income (Loss)		$ (1,509,504)	$ 18,825,962

Note: The amortization of the Pension and Other Post-Employment Benefits regulatory assets is included in operations expense consistent with the BPU Order approving the acquisition of NUI by AGL Resources Inc. dated 11-17-2004. The amortization is not recorded in the books and records consistent with Generally Accepted Accounting Principles but is included in these statements for regulatory reporting purposes.

Note: This financial statement was prepared on a regulatory basis in accordance with the Uniform System of Accounts. It includes amounts related to an allowed equity rate of return on assets associated with our regulatory infrastructure programs that are not recognized in our financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

South Jersey Industries

Exhibit I

South Jersey Industries, Inc.
Consolidating Statement of Income
For the Nine Months Ended September 30, 2017

		South Jersey Industries, Inc.	South Jersey Gas Company	South Jersey Energy Solutions, LLC Consolidated	Energy & Minerals, Inc. Consolidated	R & T Group, Inc.	SJI Midstream, LLC Consolidated	Total	Eliminations & Adjustments	2017 Consolidated Total
Operating Revenues:	Utility:	$0.00	$346,820,419.49	$0.00	$0.00	$0.00	$0.00	$346,820,419.49	($3,640,327.00)	$343,180,092.49
	Nonutility:	$24,290,051.11	$0.00	$498,180,310.46	$0.00	$0.00	$0.00	$522,470,361.57	$31,679,588.00	$554,149,949.57
	Total Operating Revenues:	$24,290,051.11	$346,820,419.49	$498,180,310.46	$0.00	$0.00	$0.00	$869,290,781.06	$28,039,261.00	$897,330,042.06
Operating Expenses:	Cost of Sales - Utility:	$0.00	$135,566,718.15	$0.00	$0.00	$0.00	$0.00	$135,566,718.15	($3,640,327.00)	$131,926,391.15
	Cost of Sales - Nonutility:	$0.00	$0.00	$447,694,788.50	$0.00	$0.00	$0.00	$447,694,788.50	$56,019,851.00	$503,714,639.50
	Operations:	$20,430,022.03	$70,965,957.95	$49,519,920.40	$32,210.87	$52,130.86	$672.76	$141,000,914.87	$19,619,840.41	$160,620,755.28
	Maintenance:	$0.00	$14,268,282.25	$0.00	$0.00	$0.00	$0.00	$14,268,282.25	$0.00	$14,268,282.25
	Depreciation:	$246,514.45	$38,812,703.45	$34,734,079.31	$0.00	$0.00	$0.00	$73,793,297.21	$0.00	$73,793,297.21
	Energy and Other Taxes:	$1,042,594.13	$3,032,527.69	$1,064,643.40	$0.00	($502.92)	$0.00	$5,139,262.30	$0.00	$5,139,262.30
	Total Operating Expenses:	$21,719,130.61	$262,646,189.49	$533,013,431.61	$32,210.87	$51,627.94	$672.76	$817,463,263.28	$71,999,364.41	$889,462,627.69
	Total Operating Income:	$2,570,920.50	$84,174,230.00	($34,833,121.15)	($32,210.87)	($51,627.94)	($672.76)	$51,827,517.78	($43,960,103.41)	$7,867,414.37
Other Income and Expenses:	Equity in Affiliated Companies:	$0.00	$0.00	($73,878.88)	$0.00	$0.00	$4,411,076.20	$4,337,197.32	$0.00	$4,337,197.32
	Equity in Undistributed Earnings of Subs:	$18,997,364.14	$0.00	$0.00	$0.00	$0.00	$0.00	$18,997,364.14	($18,997,364.14)	$0.00
	Other:	$11,870,657.17	$4,845,041.44	$2,314,222.12	($78,955.38)	$3,103,013.69	$0.00	$22,053,979.04	($11,819,029.00)	$10,234,950.04
	Total Other Income and Expenses:	$30,868,021.31	$4,845,041.44	$2,240,343.24	($78,955.38)	$3,103,013.69	$4,411,076.20	$45,388,540.50	($30,816,393.14)	$14,572,147.36
Interest Charges:		$14,441,577.67	$18,391,998.92	$16,475,682.04	$0.00	$0.00	$795,014.21	$50,104,272.84	($11,813,566.00)	$38,290,706.84
Income Taxes:	Current Federal & State Income Taxes:	$0.00	($0.35)	($20,823,744.12)	($46,022.00)	$1,246,531.00	($19,780.23)	($19,643,015.70)	$19,643,016.00	$0.30
	Deferred federal and State Income Taxes:	$0.00	$27,654,655.00	$1,201,042.00	$0.00	$0.00	($64,710.77)	$28,790,986.23	($37,229,570.07)	($8,438,583.84)
	Total Income Taxes:	$0.00	$27,654,654.65	($19,622,702.12)	($46,022.00)	$1,246,531.00	($84,491.00)	$9,147,970.53	($17,586,554.07)	($8,438,583.54)
Income From Continuing Operations:		$18,997,364.14	$42,972,617.87	($29,445,757.83)	($65,144.25)	$1,804,854.75	$3,699,880.23	$37,963,814.91	($45,376,376.48)	($7,412,561.57)
Discontinuations:	Equity in Undistributed Earnings of Discontinued Subsidaries:	$187,722.90	$0.00	$0.00	$0.00	$0.00	$0.00	$187,722.90	($187,722.90)	$0.00
	Discontinued Operations - Net:	$0.00	$0.00	$0.00	$122,524.65	$0.00	$0.00	$122,524.65	$0.00	$122,524.65
Net Income Applicable to Common Stock:		$18,809,641.24	$42,972,617.87	($29,445,757.83)	($187,668.90)	$1,804,854.75	$3,699,880.23	$37,653,567.36	($45,188,653.58)	($7,535,086.22)

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC. AND RELATED TRANSACTIONS	:	BPU DOCKET NO.

VERIFIED JOINT PETITION, TESTIMONY AND EXHIBITS

EXHIBIT J

COZEN O'CONNOR
Attorneys for Petitioner
SOUTH JERSEY INDUSTRIES, INC.,
ETG ACQUISITION CORP. AND
SOUTH JERSEY RESOURCES GROUP, LLC
By: Ira G. Megdal
Christine Soares
LibertyView, Suite 300
457 Haddonfield Road
P.O. Box 5459
Cherry Hill, NJ 08002

CULLEN AND DYKMAN LLP
Attorneys for Petitioner
PIVOTAL UTILITY HOLDINGS, INC.
d/b/a ELIZABETHTOWN GAS
By: Kenneth T. Maloney
1101 14th Street, NW, Suite 750
Washington, DC 20005
and
Deborah M. Franco
One Riverfront Plaza
Newark, NJ 07102

Exhibit J

CORPORATION SERVICE COMPANY
www.incspot.com

CSC- Wilmington
Suite 400
2711 Centerville Road
Wilmington, DE 19808
800-927-9800
302-636-5454 (Fax)

Matter# NOT PROVIDED
Project Id :
Additional Reference : NOT PROVIDED

Order# 311148-2
Order Date 04/12/2005

Entity Name :	PIVOTAL UTILITY HOLDINGS, INC.
Jurisdiction :	NJ-State of New Jersey
Request for :	Certified/Plain Copies
Document Type :	**All Documents on File**
Result :	Document Retrieved
Comments :	New Jersey included a Certificate Relative to a Certificate of Amendment filed July 12, 1984. The actual copy is missing from their records.

Ordered by MS. JAN EZELL at ALSTON & BIRD, L.L.P.

Thank you for using CSC. For real-time 24 hour access to the status of any order placed with CSC, access our website at www.incspot.com.

If you have any questions concerning this order or IncSpot, please feel free to contact us.

Ynes Bruno
ybruno@cscinfo.com

Exhibit I

STATE OF NEW JERSEY
DEPARTMENT OF TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

PIVOTAL UTILITY HOLDINGS, INC.

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the
Certificate Of Incorporation
Amendments
Name Changes
Corrections
And Restated
as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 13th day of April, 2005

John E McCormac, CPA
State Treasurer

Exhibit J

CERTIFICATE OF INCORPORATION

OF

NATIONAL UTILITIES & INDUSTRIES CORPORATION

To: The Secretary of State

State of New Jersey

THE UNDERSIGNED, of the age of twenty-one years or over, for the purpose of forming a corporation pursuant to the provisions of Title 14A, Corporations, General, of the New Jersey Statutes, do hereby execute the following Certificate of Incorporation:

FIRST: The name of the corporation is National Utilities & Industries Corporation.

SECOND: The purpose or purposes for which the corporation is organized are the purposes for which corporations may be organized under the provisions of Title 14A, Corporations, General, of the New Jersey Statutes, the New Jersey Business Corporation Act, and the corporation may engage in any activity within the purposes for which corporations may be organized under said Act.

THIRD: The aggregate number of shares which the corporation shall have authority to issue is 5,000,000 shares of common stock of the par value of $10 each.

FOURTH: The address of the corporation's initial registered office is One Elizabethtown Plaza, Elizabeth, New Jersey 07202, and the name of the corporation's initial registered agent at such address is Joseph Coughlin.

FIFTH: The number of directors constituting the initial board of directors shall be three and the names and addresses of the directors are as follows:

Names	Addresses
John Kean	One Elizabethtown Plaza, Elizabeth, N.J. 07202
John R. Sailer	47 West Grand Street, Elizabeth, N.J. 07202
Walter C. Money	One Elizabethtown Plaza, Elizabeth, N.J. 07202

Exhibit J

SIXTH: The names and addresses of the incorporators are as follows:

Names	Addresses
John Kean	One Elizabethtown Plaza, Elizabeth, N.J. 07202
John R. Sailer	47 West Grand Street, Elizabeth, N.J. 07202
Walter C. Money	One Elizabethtown Plaza, Elizabeth, N.J. 07202

IN WITNESS WHEREOF, the undersigned, the incorporators of the above named corporation has hereunto signed this Certificate of Incorporation on the 28th day of January, 1969.

John Kean

John R. Sailer

Walter C. Money

Exhibit J

S110913

CERTIFICATE OF INCORPORATION

OF

NATIONAL UTILITIES &

INDUSTRIES CORPORATION

FILED AND RECORDED

JAN 29 1969

Robert J. Burkhardt

SECRETARY OF STATE

	LICENSE FEE	$1000—
	FILING FEE	25—
	RECORDING	3—
(3)	CERTIFYING COPY	15—
	SEC. OF STATE	
		$1043.00

SAILER & FLEMING
Counsellors at Law
47 West Grand Street
Elizabeth, N.J. 07202

420442

Amendment

Exhibit J

CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF INCORPORATION OF
NATIONAL UTILITIES & INDUSTRIES CORPORATION

To: The Secretary of State
State of New Jersey

Pursuant to the provisions of Section 14A:9-2(4) and Section 14A:9-4(3), Corporations, General, of the New Jersey Statutes, the undersigned corporation executes the following Certificate of Amendment to its Certificate of Incorporation:

1. The name of the corporation is National Utilities & Industries Corporation.

2. The following amendment to the Certificate of Incorporation was approved by the directors and thereafter duly adopted by the shareholders of the corporation on the 10th day of April, 1969:

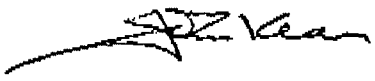
Resolved, that the Certificate of Incorporation be amended to add a SEVENTH clause and to read as follows:

"SEVENTH: The number of affirmative votes of the holders of shares of common stock having voting power that shall be necessary to, (1) amend the certificate of incorporation, (2) sell, lease, exchange or other disposition of all, or substantially all, the assets of the corporation, not in the usual and regular course of its business as conducted by such corporation, (3) consolidate or merge with or into any other corporation or corporations in accordance with any proposed plan of merger or consolidation, or (4) dissolve the business of the corporation, shall be by two-thirds of the votes cast at any meeting of shareholders at which a quorum is present."

Exhibit J

3. The number of shares outstanding at the time of the adoption of the amendment was 26. The total number of shares entitled to vote thereon was 26.

4. The undersigned, being the only shareholder of National Utilities & Industries Corporation, consents and authorizes the foregoing amendment without a meeting of shareholders pursuant to the provisions of Section 14A:5-6(1), Corporations, General, of the New Jersey Statutes.

Name of Shareholder	Signature of Shareholder	Number of Shares Owned
John Kean		26

Dated this 10th day of April, 1969

NATIONAL UTILITIES & INDUSTRIES CORPORATION

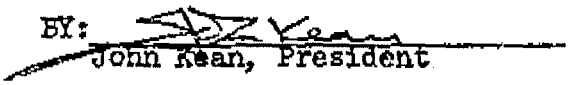
BY: 
John Kean, President

Exhibit J

S 110913

CERTIFICATE OF AMENDMENT

TO THE

CERTIFICATE OF INCORPORATION

OF

NATIONAL UTILITIES & INDUSTRIES CORPORATION

FILED AND RECORDED

APR 16 1969

Robert J. Burkhardt

SECRETARY OF STATE

LICENSE FEE	none
FILING FEE	20-
RECORDING	3-
CERTIFYING COPY	30-
photo-copies	2-
SEC. OF STATE	
	$55.00

6

SAILER & FLEMING
47 West Grand Street
Elizabeth, N.J. 07202

6

4 28 16

Exhibit J

Cert. as to Acquisition of Shares of a Domestic Co.?

CERTIFICATE

OF

NATIONAL UTILITIES & INDUSTRIES CORPORATION

Pursuant to Paragraph 14A:10-9(3)(a) of the New Jersey Statutes

To: The Secretary of State,
State of New Jersey

Pursuant to the provisions of paragraph 14A:10-9(3)(a), Corporations, General, of the New Jersey Statutes, the undersigned corporation executes the following certificate:

1. On April 24, 1969, the undersigned corporation submitted by first-class mail to all holders of shares of common stock of Elizabethtown Gas Company a written offer to exchange shares of the undersigned corporation's common stock for the 1,040,197 outstanding shares of common stock of Elizabethtown Gas Company on the basis of two shares of the undersigned for each share of Elizabethtown Gas Company. Such written offer was made by means of a prospectus of the undersigned, dated April 22, 1969, which specified the shares to which the offer relates, prescribed the terms and conditions of such offer, including the method of acceptance thereof and the manner of exchanging such shares, and contained a statement summarizing the rights of such shareholders as provided in paragraph 14A:10-9(3)(b).

2. Within 120 days after the date of such mailing, such offer was accepted by the holders of not less than 90% of the shares of common stock of Elizabethtown Gas Company (no shares of Elizabethtown Gas Company having been held at the date of mailing by, or by a nominee for, the undersigned corporation or any subsidiary thereof).

Dated this 16th day of June, 1969

NATIONAL UTILITIES & INDUSTRIES CORPORATION

By: _____
(John Kean) President

Exhibit J

S110913

CERTIFICATE

OF

NATIONAL UTILITIES & INDUSTRIES

CORPORATION

FILED AND RECORDED
JUN 16 1969
Robert J. Burkhardt
SECRETARY OF STATE

LICENSE FEE	None
FILING FEE	25.00
RECORDING	2.00
CERTIFYING COPY	15.00
SEC. OF STATE	—
	$ 42.00

SAILER & FLEMING
47 West Grand Street
Elizabeth, New Jersey 07202

WS # 34435 9

Exhibit J

CERTIFICATE OF AMENDMENT

TO THE CERTIFICATE OF INCORPORATION OF

NATIONAL UTILITIES & INDUSTRIES

TO: Secretary of State
State of New Jersey

Pursuant to the provisions of N.J.S. 14a:9-2(4) and 14a:9-4(3) of the New Jersey Business Corporation Act, the undersigned corporation executes the following Certificate of Amendment to its Certificate of Incorporation.

1. The name of the corporation is National Utilities & Industries Corporation.

2. The following Amendments to the Certificate of Incorporation were approved by the Directors and thereafter duly adopted by the shareholders of the corporation on the date hereof.

"FIRST: The name of the corporation is NUI Corporation".

2(a). The total number of shares entitled to vote thereon was 2,182,000.

2(b). The number of shares voting for and against such amendment is as follows:

Number of Shares Voting For Amendment	Number of Shares Voting Against Amendment
1,717,651	31,721

"THIRD: The aggregate number of shares which the corporation shall have authority to issue is 5,000,000 shares of common stock of the par value of $10 each and 5,000,000 shares of preferred stock which shall be issued with par value or with no par value.

At all times, each holder of common stock of the corporation shall be entitled to one vote for each share of such which is registered in the name of such holder on the books of the corporation.

Exhibit J

The board of directors shall be empowered to issue all or in any part of such preferred stock for such consideration as may be fixed from time to time by the board of directors; provided, however, that each class and series of such preferred stock shall be designated so as to distinguish its shares from those of every other class and series. The board of directors shall have the authority to divide the authorized preferred stock of the corporation into classes and into series within any class or classes and to determine the designation, the number of shares, and the relative voting, dividends, preferences, participating, optional, conversion and other special rights, qualifications, limitations and restrictions of any such class or series. In particular, and without limitation upon the general authority granted, the board of directors shall have the authority to increase the number of shares of any class or series up to the limit of the total authorized preferred stock, whether or not the board of directors previously designated such class or series or the number of shares thereof and, with respect to any class or series which the board of directors previously determined, to decrease the number of shares to a number not less than that of the shares thereof then outstanding. Upon any such decrease or withdrawal, the affected shares shall continue to be part of the authorized preferred stock of the corporation and shall have such designation and such relative rights, dividends, preferences and limitations as they had before the board of directors first acted to include them in such class or series. The board of directors shall have the authority to change the designation or number of shares, or the relative preferences, participating, optional, conversion and other special rights, qualifications limitations and dividends of the shares of any established class or series of shares of preferred stock which has been issued."

2(c). The total number of shares entitled to vote thereon was 2,182,000.

If the shares of any class or series are entitled to vote thereon as a class, set forth below the designation and number of outstanding shares entitled to vote thereon of each such class or series. (Omit if not applicable.)

2(d). The number of shares voting for and against such amendment is as follows: (If the shares of any class or series are entitled to vote as a class, set forth

Exhibit J

the number of shares of each such class and series voting for and against the amendment, respectively.)

Number of Shares Voting For Amendment	Number of Shares Voting Against Amendment
1,673,560	49,068

3. These amendments to the Certificate of Incorporation shall be effective as of April 4, 1983.

NUI CORPORATION, formerly
NATIONAL UTILITIES & INDUSTRIES
CORPORATION

DATED: March 8, 1983

BY: _____
John Kean
President

Exhibit J

UNANIMOUS CONSENT OF DIRECTORS OF
NUI CORPORATION IN LIEU OF MEETING
OF DIRECTORS PURSUANT TO N.J.S.
14A:6-7(2)

The undersigned being all the Directors of NUI Corporation, consent to and authorize adoption of the following resolution:

RESOLVED, that the Certificate of Incorporation of NUI Corporation, a New Jersey corporation be and hereby is amended to read as herein set forth in full:

"FIRST: The name of the corporation shall be National Utilities & Industries Corporation."

FURTHER RESOLVED, that the proposed Amendment to the Certificate of Incorporation be submitted to Elizabethtown Gas Company, as the company's sole stockholder for its approval and adoption pursuant to its written consent.

DATED: March 8, 1983

BOARD OF DIRECTORS
NATIONAL UTILITIES & INDUSTRIES
CORPORATION, formerly
NUI CORPORATION

John Kean

C. R. Carver

Susan Treadwell Covino

Exhibit J

CONSENT TO USE OF CORPORATE NAME

BY

NUI CORPORATION

TO NATIONAL UTILITIES & INDUSTRIES CORPORATION

NUI Corporation, a corporation duly organized under the laws of the State of New Jersey, pursuant to N.J.S. 14A:2-2(1)(b) of the New Jersey Business Corporation Act hereby consents to the use of the name NUI Corporation by National Utilities & Industries Corporation, an existing corporation amending its corporate name and hereby requests that the Secretary of State accept for recording and filing the Amendment to the Certificate of said corporation setting forth its name as above.

DATED: March 8, 1983

Signed, Sealed and
Delivered in the
Presence of or
Attested by:

NUI CORPORATION

BY: Susan Treadwell Covino
Susan Treadwell Covino
President

Exhibit J

FILED

MAR 30 1983

JANE BURGIO
Secretary of State

Exhibit J

CERTIFICATE OF CORRECTION

OF

NUI CORPORATION

(TO BE USED BY DOMESTIC AND FOREIGN CORPORATIONS)

TO: Secretary of State
State of New Jersey

The Undersigned, hereby submits for filing, a Certificate of Correction, executed in behalf of the above named Corporation, pursuant to the provisions of Section 14A:1-6(5) Corporations, General, of the New Jersey Statutes.

1. The Certificate to be corrected is:

Certificate of Amendment	March 30, 1983
(Type of Certificate)	(Date Filed)

2. The inaccuracy in the Certificate is the omission of the word "stock" in the second paragraph of the Third Article. The omission of a punctuation mark and a grammatical error in verb usage is also inaccurate in the last sentence of the third paragraph of said Article.

(Indicate the inaccuracy or defect)

3. The Third Article as corrected hereby reads as follows:

"THIRD: The aggregate number of shares which the corporation shall have authority to issue is 5,000,000 shares of common stock of the par value of $10 each and 5,000,000 shares of preferred stock which shall be issued with par value or with no par value.

At all times, each holder of common stock of the corporation shall be entitled to one vote for each share of such stock which is registered in the name of such holder on the books of the corporation.

The board of directors shall be empowered to issue all or in any part of such preferred stock for such consideration as may be fixed from time to time by the board of directors; provided, however, that each class and series of such preferred stock shall be designated so as to

Exhibit J

distinguish its shares from those of every other class and series. The board of directors shall have the authority to divide the authorized preferred stock of the corporation into classes and into series within any class or classes and to determine the designation, the number of shares, and the relative voting, dividends, preferences, participating, optional, conversion and other special rights, qualifications, limitations and restrictions of any such class or series. In particular, and without limitation upon the general authority granted, the board of directors shall have the authority to increase the number of shares of any class or series up to the limit of the total authorized preferred stock, whether or not the board of directors previously designated such class or series or the number of shares thereof and, with respect to any class or series which the board of directors previously determined, to decrease the number of shares to a number not less than that of the shares thereof then outstanding. Upon any such decrease or withdrawal, the affected shares shall continue to be part of the authorized preferred stock of the corporation and shall have such designation and such relative rights, dividends, preferences and limitations as they had before the board of directors first acted to include them in such class or series. The board of directors shall have the authority to change the designation or number of shares, or the relative preferences, participating, optional, conversion and other special rights, qualifications, limitations and dividends of the shares of any established class or series of shares of preferred stock which have been issued."

2(c). The total number of shares entitled to vote thereon was 2,182,000.

If the shares of any class or series are entitled to vote thereon as a class, set forth below the designation and number of outstanding shares entitled to vote thereon of each such class or series. (Omit if not applicable.)

2(d). The number of shares voting for and against such amendment is as follows: (If the shares of any class or series are entitled to vote as a class, set forth the number of shares of each such class and series voting for and against the amendment, respectively.)

Number of Shares Voting For Amendment	Number of Shares Voting Against Amendment
1,673,560	49,068

Exhibit J

Dated this 27th day of April, 1983.

NUI Corporation
(Corporate Name)

BY: _____ *
(Signature)

John Kean, President
(Type or Print Name and Title)

* May be executed by the Chairman of the Board, or the President or the Vice-President.

Exhibit J

DEPARTMENT OF STATE
1983 APR 27 PM 4:20
CORPORATE RECORDING
BUREAU

S11093

FILED
APR 27 1983
JANE BURGIO
Secretary of State

Exhibit J

STATE OF NEW JERSEY
DEPARTMENT OF TREASURY
CERTIFICATE RELATIVE TO CORPORATE FILING

PIVOTAL UTILITY HOLDINGS, INC.

I, the Treasurer of the State of New Jersey, do hereby certify that the above named business did on July 12,1984, file and record in this department a certificate of Amendment as by the statutes of this state required.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 15th day of April, 2005

John E McCormac, CPA
Treasurer

Exhibit J
ADB

FILED

MAR 27 1987

JANE BURGIO
Secretary of State
0354966

CERTIFICATE

OF

NUI CORPORATION

Pursuant to the provisions of N.J.S. 14A:7-15.1 of the New Jersey Business Corporation Act, the undersigned Corporation executes the following Certificate.

1. The name of the Corporation is NUI Corporation.

2. The division that is the subject of this Certificate (the "Division") was approved by resolution of the Corporation's Board of Directors at a meeting held on March 10, 1987, at which a quorum was present and acting throughout.

3. The Division will not adversely affect the rights or preferences of the holders of outstanding shares of any class or series of capital stock of the Corporation and will not increase the number of authorized but unissued shares.

4. Pursuant to the Division, the Corporation's Common Stock, $10.00 par value, of which 2,411,664 shares were issued and outstanding or held in treasury as of the close of business on the record date, March 23, 1987, shall be split three-for-two into 3,617,496 shares of Common Stock, $7.00 par value.

5. In connection with the Division, the Corporation's Board of Directors has duly adopted the following amendment of the first sentence of Article THIRD of the Corporation's Certificate of Incorporation, as amended:

#642083750

S 110913

Exhibit J

~~0100~~ 110913

"The aggregate number of shares which the corporation shall have authority to issue is 15,000,000 shares of common stock of the par value of $7.00 each and/ 5,000,000 shares of preferred stock which shall be issued with par value or with no par value."

6. The Division shall be effective as of April 15, 1987.

NUI CORPORATION

Dated: March 23, 1987

By: _____
John Kean
President

Exhibit J
RCB

FILED

MAR 13 1991

JOAN HABERLE
Secretary of State
0685290

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

NUI CORPORATION

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:9-5 of the New Jersey Business Corporation Act, the undersigned corporation hereby executes the following amended and restated Certificate of Incorporation:

1. The name of the corporation is NUI Corporation.

2. The following amended and restated Certificate of Incorporation was approved by the Directors and thereafter duly adopted by the Shareholders of the Corporation on March 12, 1991.

DEPARTMENT OF STATE
RECORDS SECTION
CERTIFIED
91 MAR 13 AM 10:44

S110913 - 6420837500

Exhibit J

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
NUI CORPORATION

FILED

MAR 18 1991

JOAN HABERLE
Secretary of State
0685290

ARTICLE I

The name of the Company is:
NUI CORPORATION

ARTICLE II

The address of its registered office in the State of New Jersey is 550 Route 202-206, Bedminster, New Jersey 07921 and the name of its registered agent at that address is Joseph P. Coughlin, Secretary.

ARTICLE III

There are nine (9) Directors of the Company. Their names and addresses are:

John Kean	550 Route 202-206 Bedminster, New Jersey 07921
John W. Atherton, Jr.	Route 550 Route 202-206 Bedminster, New Jersey 07921
Calvin R. Carver	550 Route 202-206 Bedminster, New Jersey 07921
James J. Forese	550 Route 202-206 Bedminster, New Jersey 07921
Robert W. Kean, Jr.	550 Route 202-206 Bedminster, New Jersey 07921
Jack Langer	550 Route 202-206 Bedminster, New Jersey 07921
W. Emlen Roosevelt	550 Route 202-206 Bedminster, New Jersey 07921
R.V. Whisnand	550 Route 202-206 Bedminster, New Jersey 07921
John Winthrop	550 Route 202-206 Bedminster, New Jersey 07921

Exhibit J

ARTICLE IV

The nature of the business or purposes to be conducted or promoted by the Company is to engage in any lawful act or activity for which corporations may be organized under the New Jersey Business Corporation Act.

ARTICLE V

The total number of shares of stock which the Company shall have authority to issue consists of 30,000,000 shares of common stock and 5,000,000 shares of preferred stock. Shares of the Company shall not be subject to preemptive rights unless otherwise determined by the Board of Directors pursuant to the authority granted by the provisions of Article VI.

ARTICLE VI

The relative rights, preferences and limitations of a share of each class shall be as follows:

(a) Common Stock.

Each holder of a common stock shall be entitled upon all matters voted upon by the Shareholders to one vote for each share of common stock standing in such shareholder's name.

The common stock is subject to all the powers, rights, privileges, preferences and priorities of the preferred stock as are stated and expressed herein and as shall be stated and expressed in any resolution or resolutions adopted by the Board of Directors pursuant to authority expressly granted to and vested in it by the provisions of this Article VI.

(b) Preferred Stock.

The Board of Directors is authorized subject to limitations prescribed by law and the provisions of this paragraph to provide for the issuance of additional shares of preferred stock, in one or more series and, by filing a certificate pursuant to the applicable law of New Jersey, to

Exhibit J

establish from time to time the number of shares of be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof.

The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(1) The number of shares constituting such series and the distinctive designation of such series;

(2) The dividend rate on the shares of such series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of such series;

(3) Whether the shares of such series shall have voting rights in addition to any voting rights that may be provided by law and, if so, the terms of such voting rights;

(4) Whether the shares of such series shall have conversion privileges, and, if so, the terms and conditions of such conversion, including provision for adjustments of the conversion rate in such events as the Board of Directors shall determine;

(5) Whether or not the shares of such series shall be redeemable, and, if so, the terms and conditions of redemption, including the date or dates upon or after which the shares of such series shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(6) Whether the shares of such series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(7) The rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the relative rights of priority, if any, of payment of shares of such series;

Exhibit J

(8) Any other relative rights, preferences and limitations of such series.

ARTICLE VII

(a) Except as otherwise fixed pursuant to Article VI relating to the rights of the holders of any class or series of preferred stock having a preference over the common stock as to dividends or upon liquidation, or to elect additional Directors under specified circumstances, the Board of Directors shall consist of not less than eight (8) nor more than twenty-five (25) persons; provided, however, that the authorized number of Directors may be changed to any number between eight (8) and twenty-five (25) from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized Directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption).

(b) The Directors (other than those who may be elected by the holders of any class or series of preferred stock having a preference over common stock as to dividends or upon liquidation) shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, one class to hold office initially for a term expiring at the annual meeting of Shareholders to be held in 1992, another class to hold office initially for a term expiring at the annual meeting of Shareholders to be held in 1993, and another class to hold office initially for a term expiring at the annual meeting of Shareholders to be held in 1994, with the members of each class to hold office until their successors are elected and qualified. At each annual meeting of the Shareholders of the Company, the successors to the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of Shareholders held in the third year following the year of their election. The election of Directors need not be by ballot.

Exhibit J

(c) Except as otherwise fixed pursuant to the provisions of Article VI relating to the rights of the holders of any class or series of preferred stock having a preference over the common stock as to dividends or upon liquidation to elect Directors under specified circumstances, newly created directorships resulting from any increase in the authorized number of Directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled only by a majority vote of the Directors then in office, though less than a quorum of the Board of Directors. If any applicable provision of New Jersey law expressly confers power on Shareholders to fill such a directorship at a special meeting of Shareholders, such a directorship may be filled at such a meeting only by the affirmative vote of at least 75 percent of the then-outstanding shares of the voting stock, voting together as a single class (it being understood that for all purposes of this Article VII and Article XI, each share of the voting stock shall have the number of votes granted to it pursuant to Article VI or any resolution or resolutions of the Board of Directors pursuant to authority expressly granted to and vested in it by the provisions of Article VI). Any Director elected in accordance with the two preceding sentences shall hold office for the remainder of the full term of the class of Directors in which the new directorship was created or the vacancy occurred and until such Director's successor shall have been elected and qualified. No decrease in the number of authorized Directors constituting the entire Board of Directors shall shorten the term of any incumbent Director.

(d) Subject to the rights of the holders of any class or series of preferred stock having preference over the common stock as to dividends or upon liquidation or to elect Directors under specified circumstances, any Director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative

Exhibit J

vote of the holders of at least 75 percent of all of the then-outstanding shares of the voting stock, voting together as a single class. The Company must notify the Director of the grounds of his impending removal and the Director shall have an opportunity, at the expense of the Company, to present his defense to the Shareholders by a statement which accompanies or precedes the Company's solicitation of proxies to remove him.

ARTICLE VIII

Any action required or permitted to be taken by the Shareholders of the Company must be effected at an annual or special meeting of Shareholders of the Company or may be taken without a meeting if all the Shareholders entitled to vote thereon consent thereto in writing.

ARTICLE IX

Except as otherwise required by law and subject to the rights of the holders of any class or any series of preferred stock having a preference over the common stock as to dividends or upon liquidation, special meetings of Shareholders of the Company may be called only by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized Directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption).

ARTICLE X

(a) A Director or officer of the Company shall not be personally liable to the Company or its Shareholders for monetary damages for breach of fiduciary duty as Director or officer, as the case may be, except to the extent that such exemption from liability or limitation of liability is not permitted under the New Jersey Business Corporation Act as currently in effect or as subsequently amended. No amend-

Exhibit J

ment to or repeal of this Article X and no amendment to or repeal or termination of effectiveness of any law permitting the exemption from or limitation of liability provided for in this Article X shall apply to or have any effect on the liability or alleged liability of any Director or officer for or with respect to any acts or omissions of that director or officer occurring prior to such amendment, repeal or termination of effectiveness.

(b)(1) Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that such person or anyone for whom such person is the legal representative, is or was a Director or officer of the Company or is or was serving at the request of the Company as a Director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or inaction in an official capacity as a Director, officer, employee or agent or in any other capacity while serving as a Director, officer, employee or agent, shall be indemnified and held harmless by the Company to the fullest extent authorized by the New Jersey Business Corporation Act or any other law, as the same exists or may hereafter be amended (but in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of

Exhibit J

his or her heirs, executors and administrators; provided, however, that, except as provided in this paragraph (b), the Company shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Company. The right to indemnification conferred in this paragraph (b) shall be a contract right and shall include the right to be paid by the Company the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the New Jersey Business Corporation Act requires, the payment of such expenses incurred by a Director or officer in his or her capacity as a Director or officer of the Company (and not in any other capacity in which service was or is rendered by such person while a Director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Company of an undertaking, by or on behalf of such Director or officer, to repay all amounts so advanced unless is shall ultimately be determined that such Director or officer is entitled to be idemnified under this Section or otherwise. The Company may, by action of its Board of Directors, provide indemnification to employees and agents of the Company with the same scope and effect as the foregoing indemnification of Directors and officers.

(2) Right of Claimant to Bring Suit. If a claim under subparagraph (b)(1) is not paid in full by the Company within 30 days after a written claim has been received by the Company, the claimant may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if successful in whole or part, the claimant shall be entitled to be paid also the expense (including, without limitation, reasonable attorney fees) of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses

incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Company) that the claimant has not met the standards of conduct which make it permissible under the New Jersey Business Corporation Act for the Company to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Company. Neither the failure of the Company (including its Board of Directors, independent legal counsel, or its Shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct set forth in the New Jersey Business Corporation Act nor an actual determination by the Company (including its Board of Directors, independent legal counsel, or its Shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(3) Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this paragraph (b) shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, by-law, agreement, vote of Shareholders or disinterested Directors or otherwise.

(4) Insurance. The Company may maintain insurance, at its expense, to protect itself and any Director, officer, employee or agent of the Company or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the New Jersey Business Corporation Act.

Exhibit J

ARTICLE XI

(a) The Company reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon Shareholders herein are granted subject to this reservation. Notwithstanding any other provision of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the voting stock required by law or this Certificate of Incorporation, the affirmative vote of the holders of at least 75 percent of all of the then-outstanding shares of the voting stock, voting together as a single class, shall be required to alter, amend or repeal Articles VI, VII, VIII, IX, X or this Article XI, or any provision thereof, or any provision of the By-Laws of the Company which is to the same effect as the aforesaid Articles.

(b) Except as set forth in the final sentence of this subsection (b), the By-Laws of the Company may be altered, amended or repealed by the affirmative vote of a majority of the entire Board of Directors then in office. The By-Laws of the Company may also be altered, amended or repealed by the Shareholders, but only by an affirmative vote of the holders of at least 75 percent of all the then-outstanding shares of the voting stock, voting together as a single class. Any By-Law may provide that it may only be altered, amended or repealed by the affirmative vote of the holders of at least 75 percent of all the then-outstanding shares of the voting stock, voting together as a single class, in which event such By-Law may only be altered, amended or repealed by such vote.

3. The date of the adoption of the amended and restated Certificate of Incorporation by the Shareholders was March 12, 1991.

4. The total number of shares outstanding as of February 4, 1991 and entitled to vote thereon was 6,247,001.

Exhibit J

5. The number of shares which voted for the amended and restated Certificate of Incorporation was 3,596,401 of 4,727,618 votes cast.

NUI CORPORATION

Dated: March 12, 1991

JOHN KEAN, PRESIDENT

Exhibit J

MGB

FILED

APR 19 1994

LONNA R. HOOKS
Secretary of State

0914522

CERTIFICATE OF MERGER

OF

ELIZABETHTOWN GAS COMPANY

WITH AND INTO

NUI CORPORATION

To the Secretary of State
State of New Jersey

Pursuant to the provisions of Section 14A:10-5.1 of the New Jersey Business Corporation Act (the "NJBCA"), the undersigned corporation hereby certifies that:

1. The name of the surviving corporation is NUI Corporation, which is a corporation organized under the laws of the State of New Jersey ("NUI") and the name of the merged corporation is Elizabethtown Gas Company, which is a corporation organized under the laws of the State of New Jersey and a wholly-owned subsidiary of NUI ("EGC").

2. NUI will continue its existence as the surviving corporation under its current name and certificate of incorporation pursuant to the provisions of the NJBCA.

3. Annexed hereto and made a part hereof is the Plan of Merger and Liquidation, dated July 27, 1993, of EGC with and into NUI (the "Plan of Merger") which was approved by the Board of Directors of NUI on July 27, 1993.

4. Pursuant to Section 14A:10-5.1(1) of the NJBCA, no vote of the shareholders of either NUI or EGC was required in connection with the aforesaid Plan of Merger.

5. The number of outstanding shares of common stock, no par value, of EGC (the only outstanding capital stock of EGC) is 1,040,164 shares, all of which are owned by NUI.

BGC #22129014

6420837500 5-110913

Exhibit J

IN WITNESS WHEREOF, the undersigned corporation has caused this Certificate of Merger to be executed in its name by a duly authorized officer as of the 19th, day of April, 1994.

NUI CORPORATION

By: Bernard F. Lenihan
Bernard F. Lenihan
Vice President

Exhibit J

PLAN OF MERGER AND LIQUIDATION

of

ELIZABETHTOWN GAS COMPANY

with and into

NUI CORPORATION

PLAN OF MERGER AND LIQUIDATION OF ELIZABETHTOWN GAS COMPANY WITH AND INTO NUI CORPORATION (the Plan"), dated July 27, 1993, by and between NUI CORPORATION, a New Jersey corporation (the "Parent"), and ELIZABETHTOWN GAS COMPANY, a New Jersey corporation (the "Company").

WHEREAS, the respective Boards of Directors of the Parent and Pennsylvania & Southern Gas Company, a Delaware corporation ("PSGS") have approved the merger of PSGS into the Parent (the "PSGS Merger");

WHEREAS, in connection with the PSGS Merger, the Parent and PSGS have executed and delivered an Agreement and Plan of Merger, dated July 27, 1993, by and between the Parent and PSGS (the "Merger Agreement");

WHEREAS, the Merger Agreement provides that at the effective time of the PSGS Merger or immediately thereafter, the Company shall be merged into the Parent;

WHEREAS, pursuant to Section 14A:10-5.1 of the New Jersey Business Corporation Act (the "NJBCA"), the Board of Directors of the Parent has approved the Plan;

NOW, THEREFORE, in consideration of the premises and the agreements contained herein, the following shall constitute the Plan:

ARTICLE 1

MERGER OF THE COMPANY INTO THE PARENT

1.1. The Merger. At the Effective Time (as defined below), subject to the terms and conditions of this Plan, and in accordance with the NJBCA, the Company shall be merged with and into the Parent (the "Merger"), the separate existence of the Company (except as may be continued by operation of law) shall cease and the Parent shall continue as the surviving corporation (the "Surviving Corporation"). The Merger shall have the effects set forth herein and the effects set forth in the applicable provisions of the NJBCA.

1.2. Effective Time of the Merger. At the effective time of the PSGS Merger or immediately thereafter, the Parent shall cause the Merger to be consummated by filing with the Secretary of State of the State of New Jersey a certificate of merger relating to the Merger, in such form as required by, and executed in accordance with, the NJBCA. The time of such filing or the

other time, if any, set forth in the certificate of merger is referred to herein as the "Effective Time".

1.3. Effects of the Merger. (a) At the Effective Time, the separate existence of the Company shall cease and the Company shall be merged with and into the Parent as the Surviving Corporation.

(b) At the Effective Time, the Articles of Incorporation and By-Laws of the Parent as in effect immediately prior to the Effective Time of the Merger shall be the Articles of Incorporation and By-Laws of the Surviving Corporation until further amended thereafter in accordance with applicable law.

(c) At the Effective Time, the Board of the Parent shall constitute the Board of the Surviving Corporation and the officers of the Parent shall constitute the officers of the Surviving Corporation.

(d) From and after the Effective Time, the Merger shall have all the effects provided by applicable law.

1.4. Effect on Parent and Company Common Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the Company or the Parent or the holder of any of the following securities:

(a) Each share of Common Stock, no par value, of Parent issued and outstanding immediately prior to the Effective Time shall remain unchanged.

(b) Each share of Common Stock, par value $10 per share, of the Company ("Company Common Stock"), issued and outstanding immediately prior to the Effective Time or which immediately prior to the Effective Time is owned directly or indirectly in the treasury of the Company shall be cancelled and retired, and no payment shall be made with respect thereto.

ARTICLE 2

PLAN OF LIQUIDATION

2.1. Plan of Liquidation. This Plan shall also constitute a plan of liquidation of the Company within the meaning of Section 332 of the Internal Revenue Code of 1986, as amended (the "Code") and the approval of the Merger by the Board of Directors of the Parent shall also constitute the adoption of this plan of liquidation. The Merger shall also constitute the complete liquidation of the Company and the distribution of all of its property to the Parent in cancellation of all of the Company's stock, each within the meaning of Section 332 of the Code.

ARTICLE 3

CONDITIONS

3.1. Conditions to Effect the Merger. The consummation of the Merger shall be subject to the fulfillment of the following conditions:

(a) The conditions to the obligation of the Parent to effect the PSGS Merger pursuant to the Merger Agreement shall have been satisfied or waived by the Parent; and

(b) The PSGS Merger as contemplated by the Merger Agreement shall have been consummated.

ARTICLE 4

TERMINATION AND AMENDMENT

4.1. Termination. This Plan shall be terminated automatically at any time prior to the Effective Time if the Merger Agreement is terminated.

4.2. Effect of Termination. In the event of termination of this Plan as provided in Section 4.1, this Plan shall be of no further force or effect and there shall be no liability on the part of any party with respect thereto.

4.3. Amendment. This Plan may not be amended except by an instrument in writing approved by the Board of Directors of the Parent.

ARTICLE 5

GENERAL PROVISIONS

5.1. Headings. The headings contained in this Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of this Plan.

5.2. Governing Law. This Plan shall be governed by the internal laws of the State of New Jersey (regardless of the laws that might otherwise govern under applicable principles of conflicts of law) as to all matters.

5.3. Third-Party Beneficiaries. This Plan is not intended to confer upon any person or entity other than the Parent and the Company any rights or remedies hereunder.

Exhibit J

CERTIFICATE OF MERGER

OF

PENNSYLVANIA & SOUTHERN GAS COMPANY

WITH AND INTO

NUI CORPORATION

MG13

FILED

APR 19 1994

LONNA R. HOOKS
Secretary of State

691525

To the Secretary of State
State of New Jersey

Pursuant to the provisions of Section 14A:10-7 of the New Jersey Business Corporation Act (the "NJBCA"), the undersigned corporations hereby certify that:

1. The name of the surviving corporation is NUI Corporation, which is a corporation organized under the laws of the State of New Jersey ("NUI"), and the name of the merged corporation is Pennsylvania & Southern Gas Company, which is a corporation organized under the laws of the State of Delaware ("PSGS").

2. NUI will continue its existence as the surviving corporation under its current name and current certificate of incorporation pursuant to the provisions of the NJBCA.

3. Annexed hereto and made a part hereof is the Agreement and Plan of Merger, dated July 27, 1993, by and between PSGS and NUI (the "Plan of Merger") as approved by the Board of Directors of each of said corporations on July 27, 1993 and by the stockholders of PSGS on February 10, 1994.

4. The number of shares of PSGS common stock, par value of $1.25 per share, entitled to vote on the Plan of Merger was 235,857, of which 197, 545 shares voted for the Plan of Merger and 1,270 shares voted against the Plan of Merger.

5. The Plan of Merger was approved by the Board of Directors of NUI. Pursuant to Section 14A:10-3(4) of the NJBCA, no vote of the shareholders of NUI was required in connection with the Plan of Merger.

DOC #22128999

6420837500 5-110913

Exhibit J

6. The applicable provisions of the laws of the State of Delaware relating to the merger of PSGS with and into NUI pursuant to the Plan of Merger, upon compliance with filing and recording requirements thereof, will have been complied with.

IN WITNESS WHEREOF, each of the undersigned corporations has caused this Certificate of Merger to be executed in its name by a duly authorized officer as of the 19th day of April, 1994.

PENNSYLVANIA & SOUTHERN GAS COMPANY

By: _____
Lyle C. Motley, Jr.
President and Chief Executive Officer

NUI CORPORATION

By: _____
Bernard F. Lenihan
Vice President

Exhibit J

AGREEMENT AND PLAN OF MERGER

by and between

NUI CORPORATION

and

PENNSYLVANIA & SOUTHERN GAS COMPANY

Dated July 27, 1993

#2210758

Exhibit J

TABLE OF CONTENTS

ARTICLE 5

Representations and Warranties of the Company

Exhibit J

ARTICLE 6

Conduct of Business Pending the Merger

ARTICLE 7

Additional Covenants

ARTICLE 8

Conditions

ARTICLE 9

Termination, Amendment and Waiver

ARTICLE 10

General Provisions

INDEX OF EXHIBITS AND SCHEDULES

Exhibits

Purchaser Schedules

Company Schedules

Schedule 5.2 Subsidiaries
Schedule 5.4 Third Party Consents
Schedule 5.8 Litigation
Schedule 5.9 Benefit Plans
Schedule 5.12 Tax Returns and Audits
Schedule 5.13 Certain Agreements
Schedule 5.17 Plant, Property, Equipment and Other Assets
Schedule 5.18 Computer Software
Schedule 5.22 Compliance with Applicable Laws
Schedule 5.25 Environmental Matters
Schedule 6.1 Conduct of Business

Exhibit J

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (the "Agreement"), dated July 27, 1993, by and between NUI CORPORATION, a New Jersey corporation (the "Purchaser"), and PENNSYLVANIA & SOUTHERN GAS COMPANY, a Delaware corporation (the "Company").

WHEREAS, the respective Boards of Directors of the Purchaser and the Company have approved the acquisition of the Company and its subsidiaries by the Purchaser;

WHEREAS, in furtherance of such acquisition, the respective Boards of Directors of the Purchaser and the Company have determined that it is advisable to merge the Company with and into the Purchaser as the surviving corporation, and have approved such merger pursuant and subject to the terms and conditions of this Agreement, with the result that each outstanding share of Company Common Stock (as hereinafter defined), not owned directly or indirectly by the Purchaser, shall be converted into the right to receive shares of Surviving Common Stock (as hereinafter defined).

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.1 and in the preamble to this Agreement shall have the meanings herein and therein specified for all purposes of this Agreement.

"Affiliate" of a specified Person shall mean any Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified.

"Agreement" shall have the meaning set forth in the first paragraph of this Agreement.

"Antitrust Division" shall mean the federal Antitrust Division of the Department of Justice.

"Average Market Price" shall have the meaning set forth in Section 3.1(c).

"Board" shall mean the Board of Directors of the Company, the Purchaser or the Surviving Corporation, as the context requires.

"Certificate" or "Certificates" shall mean each certificate or certificates which immediately prior to the Effective Time represented outstanding shares of Company Common Stock.

"Closing" shall have the meaning set forth in Section 2.4.

"Closing Date" shall have the meaning set forth in Section 2.4.

"Code" shall mean the federal Internal Revenue Code of 1986, as amended.

"Company" shall have the meaning set forth in the first paragraph of this Agreement.

"Company Common Stock" shall mean the common stock, par value of $1.25 per share, of the Company.

"Company Plans" shall have the meaning set forth in Section 5.9(a).

"Company Reports" shall have the meaning set forth in Section 5.6.

"DGCL" shall mean the General Corporation Law of the State of Delaware.

"Dissenting Shares" and "Dissenting Shareholder" shall have the respective meanings set forth in Section 3.2(a).

"Effective Time" shall have the meaning set forth in Section 2.2.

"EGC" shall mean Elizabethtown Gas Company, a New Jersey corporation and a wholly-owned subsidiary of the Purchaser.

"EGC Common Stock" shall mean the common stock, no par value, of EGC.

"EGC Merger" shall have the meaning set forth in Section 2.1.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Exchange Act" shall mean the federal Securities Exchange Act of 1934.

"Exchange Agent" shall mean that bank or trust company authorized by the Purchaser to receive the shares of Surviving Common Stock to be issued in the Merger pursuant to Section 3.4(a).

"FERC" shall mean the Federal Energy Regulatory Commission.

"FTC" shall mean the Federal Trade Commission.

"Governmental Entity" shall mean any United States federal, state or local government (including the District of Columbia), governmental or regulatory authority, governmental or regulatory body, governmental or regulatory agency or any court or other judicial authority.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"ISRA" shall mean the New Jersey Industrial Site Recovery Act.

"Letter of Intent" shall mean the Letter of Intent, dated June 24, 1993, between the Company and the Purchaser.

"Licensed Software" shall have the meaning set forth in Section 5.18.

"Material Adverse Effect" with respect to a Person shall mean a material adverse effect on the business, financial (or other) condition, results of operations or prospects of such Person.

"Merger" shall have the meaning set forth in Section 2.1.

"Merger Consideration" shall have the meaning set forth in Section 3.1(c).

"NJBCA" shall mean the New Jersey Business Corporation Act.

"NJPUL" shall mean the New Jersey Public Utility Law.

"NYSE" shall mean the New York Stock Exchange, Inc.

"Officer" and "Officers" shall have the respective meanings set forth in Section 7.5(d).

"Owned Software" shall have the meaning set forth in Section 5.18.

"Person" shall mean any individual, corporation, association, company, partnership, joint venture, joint-stock company, trust, unincorporated organization, Governmental Entity or other entity.

"Plans" shall mean any bonus, deferred compensation, pension, profit-sharing, retirement, insurance, stock purchase, stock option, or other fringe benefit plan, arrangement, understanding or practice, or any other employee benefit plan (as defined in section 3(3) of ERISA), whether formal or informal.

Exhibit J

"Proxy Statement" shall have the meaning set forth in Section 5.10.

"Public Utility Laws" shall mean the Pennsylvania, North Carolina, Maryland and New York public utility laws applicable to the transactions contemplated hereby.

"PUHCA" shall mean the federal Public Utility Holding Company Act of 1935.

"Purchaser" shall have the meaning set forth in the first paragraph of this Agreement.

"Purchaser Common Stock" shall mean the common stock, no par value, of the Purchaser.

"Purchaser Reports" shall have the meaning set forth in Section 4.8.

"Registration Statement" shall have the meaning set forth in Section 5.10.

"SEC" shall mean the federal Securities and Exchange Commission.

"Securities Act" shall mean the federal Securities Act of 1933.

"Shareholders Meeting" shall have the meaning set forth in Section 7.2.

"Subsidiary" of any corporation, partnership or other entity (each, a "Parent") shall mean any other corporation, partnership or other entity in which the Parent, one or more Subsidiaries of the Parent or the Parent and one or more other Subsidiaries of the Parent own capital stock or other indicia of ownership representing fifty percent or more of the capital stock or other indicia of ownership of such corporation, partnership or other entity.

"Surviving Common Stock" shall mean the common stock, no par value, of the Surviving Corporation.

"Surviving Corporation" shall have the meaning set forth in Section 2.1.

"Tax" shall include all federal, state, local and foreign net income, gross income, gross receipts, sales, use, ad valorem, franchise, profits, license, withholding, payroll, employment, excise, stamp, occupation, property, custom duty and other taxes, governmental charges or like assessments or fees of any kind whatsoever, together with interest and any penalty, addition to tax or additional amount imposed thereon of any nature whatsoever.

"Third-Party Beneficiary" shall have the meaning set forth in Section 10.5.

1.2. Interpretation. When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". Whenever the words "transactions contemplated

hereby" are used in this Agreement, they shall be deemed to include the EGC Merger. Whenever the words "to the best knowledge" are used in this Agreement, they shall mean (a) in the case of the Company, the best knowledge of the Executive Committee of the Company's Board and the officers of the Company identified in paragraphs (c) and (d) of Section 7.5 and (b) in the case of the Purchaser, the best knowledge of the Executive Committee of the Purchaser's Board and the President and any Vice President of the Purchaser. Where the context so requires, the masculine gender shall be construed to include the female and the neuter gender, and the singular shall be construed to include the plural and the plural the singular.

ARTICLE 2

MERGER OF THE COMPANY INTO THE PURCHASER

2.1. The Merger. At the Effective Time, subject to the terms and conditions of this Agreement and in accordance with the DGCL and the NJBCA, the Company shall be merged with and into the Purchaser (the "Merger"), the separate existence of the Company (except as may be continued by operation of law) shall cease and the Purchaser shall continue as the surviving corporation (the "Surviving Corporation"). At the Effective Time or immediately thereafter on the day of the Effective Time, EGC shall be merged with and into the Surviving Corporation (the "EGC Merger"). The Merger shall have the effects set forth herein and the effects set forth in the applicable provisions of the DGCL and the NJBCA.

2.2. Effective Time of the Merger. At the Closing or as soon as practical thereafter, the parties shall cause the Merger to be consummated by filing with the Secretary of State of the State of Delaware, a certificate of merger relating to the Merger, in such form as required by, and executed in accordance with, the DGCL, and by filing with the Secretary of State of the State of New Jersey a certificate of merger relating to the Merger, in such form as required by, and executed in accordance with, the NJBCA. The time of the later of such filings or the other time, if any, set forth in the certificates of merger is referred to herein as the "Effective Time".

2.3. Effects of the Merger. (a) At the Effective Time, the separate existence of the Company shall cease and the Company shall be merged with and into the Purchaser as the Surviving Corporation. At the Effective Time or immediately thereafter, EGC shall be merged with and into the Surviving Corporation.

(b) At the Effective Time, the Articles of Incorporation and By-Laws of the Purchaser as in effect immediately prior to the Effective Time of the Merger shall be the Articles of Incorporation and By-Laws of the Surviving Corporation until further amended thereafter in accordance with applicable law.

(c) At the Effective Time, the Board of the Purchaser shall constitute the Board of the Surviving Corporation and the officers of the Purchaser shall constitute the officers of the Surviving Corporation.

(d) From and after the Effective Time, the Merger shall have all the effects provided by applicable law.

(e) At the effective time of the EGC Merger, (i) the Articles of Incorporation and By-Laws of the Surviving Corporation as in effect immediately prior to the EGC Merger shall be the Articles of Incorporation and By-Laws of the surviving corporation of the EGC Merger until further amended thereafter in accordance with applicable law, (ii) the Board of the Surviving Corporation shall constitute the Board of the surviving corporation of the EGC Merger and (iii) the officers of the Surviving Corporation shall constitute the officers of the surviving corporation of the EGC Merger.

2.4. Closing. The Company and the Purchaser shall communicate and consult with each other with respect to the fulfillment of the various conditions to their obligations under this Agreement. The exchange of the certificates, opinions and other documents contemplated in connection with the consummation of the Merger (the "Closing") shall take place at the offices of the Purchaser, on (a) the fifth business day after which all of the conditions to the Closing have been satisfied or waived or (b) such other place or date as may be agreed upon by the parties. The date on which the Closing occurs is referred to herein as the "Closing Date". In the event that at the Closing no party exercises any right it may have to terminate this Agreement and no condition to the obligations of the parties exists that has not been satisfied or waived, the parties shall (i) deliver to each other the certificates, opinions and other documents required to be delivered under Article 8 and (ii) at the Closing or as soon thereafter as possible, consummate the Merger by filing the documents contemplated by Section 2.2.

ARTICLE 3

EFFECTS OF THE MERGER ON PURCHASER AND COMPANY COMMON STOCK; EXCHANGE OF CERTIFICATES

3.1. Effect on Purchaser and Company Common Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the Company or the Purchaser or the holder of any of the following securities:

(a) Each share of Purchaser Common Stock issued and outstanding immediately prior to the Effective Time shall remain unchanged.

(b) Each share of Company Common Stock which immediately prior to the Effective Time is owned directly or indirectly in the treasury of the Company, by any direct or indirect Subsidiary of the Company or by the Purchaser or any direct or indirect Subsidiary of the Purchaser shall be cancelled and retired, and no payment shall be made with respect thereto.

(c) Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares of Company Common Stock to be cancelled pursuant to Section 3.1(b) and Dissenting Shares) shall be converted into the right to receive the

number of shares of Surviving Common Stock, or fraction thereof rounded to the nearest .0001 of a share of Surviving Common Stock, equal to the number determined by dividing (i) $71.50 by (ii) the arithmetic average of the daily closing price per share of Purchaser Common Stock for the twenty trading days immediately prior to the Closing Date as reported on the composite tape of the NYSE (the "Average Market Price"); provided, that if the applicable number of shares of Surviving Common Stock to be exchanged for each share of Company Common Stock in the Merger is equal to or greater than 3.0 shares, the number of shares of Surviving Common Stock exchanged for each share of Company Common Stock in the Merger shall be equal to 3.0 shares, provided, further, that if the applicable number of shares of Surviving Common Stock to be exchanged for each share of Company Common Stock in the Merger is equal to or less than 2.4 shares, the number of shares of Surviving Common Stock exchanged for each share of Company Common Stock in the Merger shall be equal to 2.4 shares (the "Merger Consideration"). In the event that during the period commencing on the date of this Agreement and ending on the Closing Date, the Purchaser takes any of the following actions: (i) pays a dividend or makes a distribution on Purchaser Common Stock, in each case, in shares of Purchaser Common Stock; (ii) subdivides the outstanding shares of Purchaser Common Stock into a greater number of shares, or (iii) combines the outstanding shares of Purchaser Common Stock into a smaller number of shares, the maximum and minimum number of shares of Purchaser Common Stock issuable as Merger Consideration, as set forth in the first and second provisos, respectively, of the immediately preceding sentence of this Section 3.1(c), shall on the effective date of such action, each be adjusted by multiplying such number by a fraction (A) the numerator of which shall be the number of shares of Purchaser Common Stock outstanding immediately following such action and (B) the denominator of which shall be the number of shares of Purchaser Common Stock outstanding immediately prior to such action.

3.2. Dissenting Shares. (a) Notwithstanding any provision of this Agreement other than Section 3.2(b) to the contrary, any shares ("Dissenting Shares") of Company Common Stock held by a holder who has demanded and perfected his or her right to receive payment for the fair value of his or her shares in accordance with Section 262 of the DGCL (a "Dissenting Shareholder"), and as of the Effective Time has not effectively withdrawn or lost his or her right to receive payment for the fair value of his or her shares, shall not be converted into or represent a right to receive the Merger Consideration as otherwise provided in this Article 3, but the holder thereof shall only be entitled to such rights as are granted by Section 262 of the DGCL.

(b) Notwithstanding the provisions of Section 3.2(a), if any holder of shares of Company Common Stock who demands the right to receive payment for the fair value of his or her shares under the DGCL shall effectively withdraw or lose (through failure to perfect or otherwise) his or her right to receive payment for the fair value of his or her shares of Company Common Stock, then as of the Effective Time or the occurrence of such event, whichever last occurs, such holder's shares of Company Common Stock shall automatically be converted into and represent only the right to receive the Merger Consideration as otherwise provided in this Article 3.

3.3. Stock Transfer Books. At the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of shares of Company Common Stock thereafter on the records of the Company. If, after the Effective Time,

Certificates are presented to the Surviving Corporation, they shall be cancelled and exchanged for the Merger Consideration as provided in this Article 3 (unless such Certificates represent Dissenting Shares).

3.4. Exchange of Shares of Company Common Stock. (a) At the Effective Time, the Surviving Corporation shall cause to be deposited with the Exchange Agent that number of shares of Surviving Common Stock to be issued in the Merger as contemplated by Section 3.1(c). The Exchange Agent shall agree to hold such shares in trust and deliver such shares as contemplated by Section 3.1 and upon such additional terms as may be agreed upon by the Exchange Agent, the Company and the Purchaser prior to the Effective Time.

(b) As promptly as practicable after the Effective Time, the Surviving Corporation shall mail or cause the Exchange Agent to mail to each holder of outstanding Company Common Stock of record as of the Effective Time (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the shares of Company Common Stock shall pass, only upon proper delivery of the Certificates representing such shares of Company Common Stock to the Exchange Agent and shall be in such form and have such other provisions as the Purchaser and the Company may reasonably specify) and (ii) instructions for use in effecting the exchange of the Certificates for payment therefor as hereinabove provided. Upon surrender to the Exchange Agent of a Certificate, together with such letter of transmittal duly executed, the holder of such Certificate shall be entitled to receive in exchange therefor certificates registered in the name of such holder representing the number of whole shares of Surviving Common Stock into which any shares of Company Common Stock previously represented by the surrendered Certificate shall have been converted at the Effective Time (plus a check payable to such holder representing the payment of cash in lieu of fractional shares of Surviving Common Stock determined as set forth in Section 3.4(e)). Until surrendered as contemplated by the preceding sentence, each Certificate (other than Certificates representing shares of Company Common Stock cancelled pursuant to Section 3.1(b) and Dissenting Shares) that immediately prior to the Effective Time shall have represented any shares of Company Common Stock shall be deemed at and after the Effective Time to represent only the right to receive upon such surrender, the certificates of Surviving Common Stock contemplated by the preceding sentence, and such Certificate shall then be cancelled. No interest will be paid or accrued on the cash payable, if any, upon the surrender of the Certificate.

(c) If any certificates representing shares of Surviving Common Stock is to be paid to or issued in a name other than the Person in whose name the Certificate surrendered is registered, it shall be a condition of payment that the Certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the Person requesting such payment shall (i) pay transfer or other Taxes required by reason of the issuance of a certificate representing shares of Surviving Common Stock in any name to a Person other than the registered holder of the Certificate surrendered or (ii) establish to the satisfaction of the Surviving Corporation that such Tax has been paid or is not applicable.

(d) Any instruments remaining with the Exchange Agent eighteen months following the Effective Time shall be returned to the Surviving Corporation, after which time

former shareholders of the Company, subject to applicable law, shall look only to the Surviving Corporation for payment of the Merger Consideration due hereunder, without interest thereon.

(e) No certificates or scrip representing fractional shares of Surviving Common Stock shall be issued upon the surrender for exchange of Certificates. No dividend or distribution of the Surviving Corporation shall relate to any fractional share and such fractional share interests shall not entitle the owner thereof to vote or to any rights of a shareholder of the Surviving Corporation. In lieu of any fractional share of Surviving Common Stock, there shall be paid to each holder of shares of Company Common Stock entitled to a fractional share of Surviving Common Stock an amount of cash, without interest, determined by multiplying such fraction by the Average Market Price. No such payment shall be made to the holder of any unsurrendered Certificates until such Certificates shall be surrendered as provided herein.

(f) No dividends or other distributions declared after the Effective Time with respect to Surviving Common Stock and payable to the holders of record thereof after the Effective Time shall be paid to the holder of any unsurrendered Certificates with respect to which the shares of Surviving Common Stock shall have been issued in the Merger until such Certificates shall be surrendered as provided herein, but (i) upon such surrender there shall be paid to the shareholder in whose name certificates representing Surviving Common Stock shall be issued the amount of dividends theretofore paid with respect to such whole shares of Surviving Common Stock as of any record date subsequent to the Effective Time and (ii) at the appropriate payment date, or as soon as practicable thereafter, there shall be paid to such shareholder the amount of dividends with a record date on or after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole shares of Surviving Common Stock, subject in any case to any applicable escheat laws. No interest shall be payable with respect to the payment of such dividends on surrender of outstanding Certificates.

(g) In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed, the Surviving Corporation will issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration deliverable in respect thereof in accordance with this Article 3. When authorizing such issuance of the Merger Consideration in exchange therefor, the Board of the Surviving Corporation may, in its reasonable discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed Certificate to give the Surviving Corporation a bond in such reasonable amount as the Surviving Corporation may direct as indemnity against any claim that may be made against the Surviving Corporation with respect to the Certificate alleged to have been lost, stolen or destroyed.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Company as follows:

4.1. Corporate Status. Each of the Purchaser and EGC is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New Jersey and has the corporate power and authority to carry on its business as now being conducted. Each of the Purchaser and EGC is duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction where the properties owned, leased or operated, or the businesses conducted, by it require such qualification, except for such failures to be qualified or to be in good standing, if any, which when taken together with all such other failures of the Purchaser and EGC have not had and, so far as can be reasonably foreseen at this time, will not have a Material Adverse Effect on the Purchaser and its Subsidiaries taken as a whole. The Purchaser has previously delivered to the Company complete and correct copies of its Articles of Incorporation, as amended, and By-Laws, as amended.

4.2. Capitalization of the Purchaser. The authorized capital stock of the Purchaser consists of 15,000,000 shares of Purchaser Common Stock and 5,000,000 shares of preferred stock. As of June 30, 1993, (a) 8,167,525 shares of Purchaser Common Stock were issued and outstanding, (b) 49,539 shares of Purchaser Common Stock were held in the treasury of the Purchaser or owned by any Subsidiary of the Purchaser and (c) 266,674 shares of Purchaser common stock were reserved for issuance pursuant to Purchaser's employee benefit plans (including stock option plans) and the Purchaser's dividend reinvestment and stock purchase plan. There are no issued or outstanding shares of preferred stock of the Purchaser. All outstanding shares of Purchaser Common Stock are validly issued, fully paid and nonassessable. The shares of Surviving Common Stock to be issued in the Merger pursuant to Article 3 will, at the Effective Time, be duly authorized, and when issued pursuant to this Agreement, will be validly issued, fully paid and nonassessable and will not have been issued in violation of any preemptive rights. Except for this Agreement and as disclosed in this Section 4.2, there are no outstanding subscriptions, securities, options, warrants, rights or other agreements or commitments to which the Purchaser or any Subsidiary is a party that (i) calls for the issuance, sale or disposition of any shares of capital stock of the Purchaser or any Subsidiary or any securities convertible into, or other rights to acquire, any shares of capital stock of the Purchaser or any Subsidiary, other than the obligations and commitments of any Subsidiary to issue shares of its capital stock to the Purchaser, or (ii) relates to the voting of such capital stock, securities or rights.

4.3. EGC Common Stock. All of the outstanding shares of EGC Common Stock are owned by the Purchaser free and clear of all liens, claims, agreements or encumbrances except as set forth on Schedule 4.3 hereto.

4.4. Authority; Binding Effect. The Purchaser has the corporate power to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Purchaser and EGC (except on the date hereof, for any corporate action required under the NJBCA in connection with the EGC Merger). Assuming the filings, consents and approvals contemplated by this Agreement are obtained or made, neither the Purchaser nor EGC is subject to or obligated under any provision of (a) its Articles of Incorporation, as amended, or its By-Laws, as amended, (b) except as set forth on Schedule 4.4 hereto, any contract, agreement, license, franchise, permit or other instrument or (c) any law, statute, ordinance, rule, regulation, order, judgment, decree or injunction, which would be breached or violated by the Purchaser's execution, delivery and performance of this Agreement or the performance of the transactions contemplated hereby other than, with respect to the foregoing clauses (b) and (c), such breaches and violations which in the aggregate (i) will not have a Material Adverse Effect on the Purchaser and its Subsidiaries taken as a whole or will be cured, waived or terminated prior to the Effective Time and (ii) will not impair the ability of the Purchaser or EGC to perform its obligations hereunder and under the other instruments and documents required or contemplated by this Agreement. This Agreement has been duly executed and delivered by the Purchaser and constitutes the valid and binding agreement of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable laws relating to bankruptcy, insolvency, reorganization or affecting creditors' rights generally and except to the extent that injunctive or other equitable relief is within the discretion of a court.

4.5. Consents. Other than in connection or in compliance with (a) the HSR Act, (b) the filing with the SEC of (i) the Registration Statement and (ii) reports under the Exchange Act, (c) filings under state securities laws, (d) the filing of a certificate of merger with the Secretary of State of the State of Delaware, the filing of certificates of merger with the Secretary of State of the State of New Jersey and appropriate documents with the relevant authorities of other states in which the Company, the Purchaser or EGC is qualified to do business, (e) the DGCL, (f) the Public Utility Laws, (g) the Delaware anti-takeover laws applicable to the Merger, (h) the NJBCA, (i) the NJPUL, (j) the PUHCA, (k) ISRA, (l) environmental laws of the States of North Carolina, Pennsylvania, Maryland and New York, (m) statutes and regulations administered by FERC and (n) the transfer of EGC's franchises and the Company's franchises to the Purchaser, no consent, license, permit, approval, order or authorization of, or filing with, any Governmental Entity is required to be obtained or made by the Purchaser or any Subsidiary, in connection with the execution, delivery or performance by the Purchaser and EGC of this Agreement and the instruments and documents required to be executed by them pursuant hereto or the consummation by Purchaser and EGC of the transactions contemplated hereby, other than those which the failure to obtain or make would not have a Material Adverse Effect on the Purchaser and its Subsidiaries taken as a whole.

4.6. Information Provided. None of the information supplied by the Purchaser or any of its Subsidiaries, included or incorporated by reference in the Registration Statement or the Proxy Statement will, (a) at the date the Registration Statement or any post-effective amendment thereof becomes effective, (b) at the date the Proxy Statement is mailed to the shareholders of the Company, (c) at the date of the Shareholders Meeting of the Company and (d) at all other times subsequent to such effectiveness, mailings or meetings up to and including the Effective Time,

contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

4.7. Absence of Material Adverse Effect. Except as disclosed in the Purchaser Reports, or except as contemplated by this Agreement, since September 30, 1992, there has not been any Material Adverse Effect on the Purchaser and its Subsidiaries taken as a whole.

4.8. SEC Filings; Financial Statements. The Purchaser has heretofore delivered to the Company, and made available to the Company the Exhibits to, (a) the Purchaser's Annual Reports on Form 10-K for the fiscal years ended September 30, 1992, 1991 and 1990, (b) the Purchaser's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1993 and December 31, 1992 and (c) each prospectus, definitive proxy statement, report and other filing filed by the Purchaser with the SEC since September 30, 1992 and prior to the date hereof (collectively, the "Purchaser Reports") pursuant to the Securities Act or the Exchange Act. Since September 30, 1992, the Purchaser has filed with the SEC all reports and registration statements and all other filings required to be filed by it with the SEC pursuant to the Securities Act and the Exchange Act. As of their respective dates, the Purchaser Reports did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited and unaudited consolidated financial statements of the Purchaser and its consolidated Subsidiaries, included in the Purchaser Reports have been prepared in conformity with generally accepted accounting principles in all material respects and fairly present, in all material respects, the consolidated financial position of the Purchaser and its consolidated Subsidiaries as of the dates thereof and the results of their operations and their cash flows for each of the periods then ended of the Purchaser and its consolidated Subsidiaries subject where appropriate to normal year end adjustments.

4.9. Litigation. As of the date hereof, except as described in the Purchaser Reports, (a) there is no action, suit, proceeding or, to the best knowledge of the Purchaser, investigation pending and to the best knowledge of the Purchaser, there is no action, suit, proceeding or investigation threatened against or affecting the Purchaser or any Subsidiary of the Purchaser, or any of their respective properties before any Governmental Entity, which, individually or in the aggregate, if adversely determined, would result in any Material Adverse Effect on the Purchaser and its Subsidiaries taken as a whole and (b) neither the Purchaser nor any Subsidiary of the Purchaser is subject to any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator which has a Material Adverse Effect on the Purchaser and its Subsidiaries taken as a whole.

4.10. Tax Returns and Audits. Each of the Purchaser and its Subsidiaries has duly filed all federal income tax returns required to be filed by it and has duly filed all other federal, state, local and foreign Tax returns and reports required to be filed by it, except where the failure so to file such other federal, state, local and foreign Tax returns and reports would not have a Material Adverse Effect on the Purchaser and its Subsidiaries taken as a whole, and has duly paid or made adequate provision on its books in accordance with generally accepted accounting principles for the payment of all Taxes which have been incurred or are due and payable, except where the failure so to pay would not have a Material Adverse Effect on the

Purchaser and its Subsidiaries taken as a whole. As of the date of this Agreement and except as disclosed in the Purchaser Reports or Schedule 4.10 hereto, (a) there are no pending audits, examinations or proposed audits or examinations of any Tax returns filed by the Purchaser or any of its Subsidiaries except where the outcome of such audits or examinations would not have a Material Adverse Effect on the Purchaser and its Subsidiaries taken as a whole and (b) neither the Purchaser nor any of its Subsidiaries have given or been requested to give waivers or extensions of any statute of limitations relating to the payment of Taxes for which the Purchaser or any of its Subsidiaries may be liable. As of the date of this Agreement, the consolidated federal income tax returns of the Purchaser and its Subsidiaries have been audited by the Internal Revenue Service (or the appropriate statute of limitations has expired) for all fiscal years through and including September 30, 1986. All deficiencies asserted or proposed as a result of any examinations or audits of any Tax returns have been paid or adequately provided for on the books of the Purchaser or one of its Subsidiaries in accordance with generally accepted accounting principles or will not have a Material Adverse Effect on the Purchaser and its Subsidiaries taken as a whole.

4.11. Certain Agreements. Except as disclosed in the Purchaser Reports, as of the date of this Agreement, neither the Purchaser nor any Subsidiary, is a party to any oral or written contract, agreement, understanding or commitment (except those entered into in the ordinary course of business) having a material effect on the Purchaser and its Subsidiaries taken as a whole.

4.12. PUHCA. The Purchaser is exempt from all provisions of the PUHCA, other than Section 9(a)(2) thereof.

4.13. Labor Controversies. There are no controversies which would have a Material Adverse Effect on the Purchaser and its Subsidiaries, taken as a whole, pending or, to the best knowledge of the Purchaser, threatened between the Purchaser or any of its Subsidiaries, and any representatives of any of their employees and, to the best knowledge of the Purchaser, there are no material organizational efforts presently being made involving any of the presently unorganized employees of the Purchaser or any of its Subsidiaries. Each of the Purchaser and its Subsidiaries, has, to the best knowledge of the Purchaser, complied in all material respects with all laws relating to the employment of labor, including any provisions thereof relating to wages, hours, collective bargaining and the payment or withholding of social security and similar Taxes, and no Person has, to the best knowledge of the Purchaser, asserted that the Purchaser or its Subsidiaries is liable in any material amount for any arrears of wages or any Taxes or penalties for failure to comply with any of the foregoing.

4.14. Insurance. The Purchaser and its Subsidiaries, have maintained, and are now maintaining with what they reasonably believe are financially responsible insurance companies, insurance on their tangible assets and their business in such amounts and against such risks and losses as is customary for companies engaged in the industries in which the Purchaser and its Subsidiaries, conduct their businesses.

4.15. Brokers or Finders. No broker, finder or investment banker is entitled to any brokerage, finder's fee or other commission or fee in connection with the transactions

contemplated hereby based on arrangements made by or on behalf of the Purchaser or any Subsidiary of the Purchaser.

4.16. Continuity of Business Enterprise; No Plan to Repurchase Stock. The Purchaser presently plans and intends for the Surviving Corporation either (i) to continue the Company's historic business after the Merger or (ii) to use a significant portion of the Company's historic business assets in a business. There is no present plan or intention on the part of the Purchaser or the Surviving Corporation to redeem or repurchase the Surviving Common Stock to be issued to the Company's shareholders in connection with the Merger.

4.17. Compliance Issues. There are no suits, claims or proceedings before any Governmental Entity, past or on-going which taken individually or in the aggregate would be grounds for a Governmental Entity to refuse, deny or materially delay the issuance or approval of any license, permit, consent or other authorization necessary to consummate the Merger.

4.18. Exclusivity of Representations and Warranties. Except for the representations and warranties contained in this Article 4, the Purchaser makes no other representations or warranties, express or implied, and the Purchaser hereby disclaims any such representations or warranties, whether by the Purchaser, any Subsidiary of the Purchaser, or any of their respective officers, directors, employees, agents or representatives, or any other Person, with respect to this Agreement and the transactions contemplated hereby, notwithstanding the delivery or disclosure to the Company or any Subsidiary of the Company or any of their respective directors, officers, employees, agents or representatives, or any other Person, of any documentation or other information by the Purchaser, any Subsidiary of the Purchaser, or any of their respective directors, officers, employees, agents or representatives, or any other Person, with respect to any one or more of the foregoing.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser as follows:

5.1. Corporate Status. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to carry on its businesses as they are now being conducted. The Company is duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction where the properties owned, leased or operated, or the businesses conducted, by it require such qualification, except for such failures to be qualified or to be in good standing which when taken together with all such other failures of the Company and its Subsidiaries have not had and, so far as can reasonably be foreseen at this time, will not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole. The Company has previously delivered to the Purchaser complete and correct copies of its Articles of Incorporation, as amended, and By-Laws, as amended.

5.2. Subsidiaries. Each Subsidiary of the Company is listed on Schedule 5.2 hereto. Each Subsidiary of the Company is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has the corporate power to carry on its businesses as they are now being conducted. Each Subsidiary of the Company is duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction where the properties owned, leased or operated, or the business conducted, by it require such qualification, except for such failures to be qualified or to be in good standing which when taken together with all such other failures of the Company and its Subsidiaries have not had and, so far as can reasonably be foreseen at this time, will not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole. All of the outstanding shares of the capital stock of each of the Subsidiaries of the Company have been validly issued, and are fully paid and nonassessable. All of the outstanding shares of common stock of each of the Subsidiaries of the Company are owned by the Company, directly or indirectly through one or more other Subsidiaries, free and clear of all liens, pledges, claims and other encumbrances.

5.3. Capitalization of the Company. The authorized capital stock of the Company consists of 300,000 shares of Company Common Stock. As of June 30, 1993, (a) 235,857 shares of Company Common Stock were issued and outstanding and (b) no shares of Company Common Stock were held in the treasury of the Company or owned by any Subsidiary of the Company. As of such date no other shares of Company Common Stock were reserved for any other Plan of the Company or any of its Subsidiaries or any other shareholder or employee benefit plan (including stock option plans). There are no issued or outstanding preferred stock, bonds, debentures, notes or other indebtedness or other securities having the right to vote on any matters, including the Merger, on which the Company's shareholders may vote in connection with the Merger. All outstanding shares of Company Common Stock are validly issued, fully paid and nonassessable. Except for this Agreement, there are no outstanding subscriptions, securities, options, warrants, rights or other agreements, understandings or commitments to which the Company or any Subsidiary is a party that (i) calls for the issuance, sale or disposition of any shares of capital stock of the Company or any Subsidiary or any securities convertible into, or other rights to acquire, any shares of capital stock of the Company or any Subsidiary, or (ii) relates to the voting of such capital stock, securities or rights.

5.4. Authority; Binding Effect. The Company has the corporate power to execute and deliver this Agreement and, subject to approval of this Agreement and the Merger by the shareholders of the Company, to perform its obligations hereunder. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company (except, on the date hereof, for the approval of this Agreement by the shareholders of the Company). Assuming the filings, consents and approvals contemplated by this Agreement are obtained or made, neither the Company nor any of its Subsidiaries is subject to or obligated under any provision of (a) its Articles of Incorporation (or comparable charter documents) or By-Laws, (b) except as set forth on Schedule 5.4 hereto, any contract, agreement, license, franchise, permit or other instrument or (c) any law, statute, ordinance, rule, regulation, order, judgment, decree or injunction, which would be breached or violated by the Company's execution, delivery and performance of this Agreement or the performance of the transactions contemplated hereby, other than, with respect to the foregoing clauses (b) and (c), such breaches and violations which in the aggregate (i) will not have a Material Adverse Effect on the Company and its Subsidiaries

taken as a whole or will be cured, waived or terminated prior to the Effective Time and (ii) will not impair the ability of the Company to perform its obligations hereunder and under the other instruments and documents required or contemplated by this Agreement. This Agreement has been duly executed and delivered by the Company and constitutes the valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable laws relating to bankruptcy, insolvency, reorganization or affecting creditors' rights generally and except to the extent that injunctive or other equitable relief is within the discretion of a court.

5.5. Consents. Other than in connection or in compliance with (a) the HSR Act, (b) the filing with the SEC of the Registration Statement, (c) filings under state securities laws, (d) the filing of a certificate of merger with the Secretary of State of the State of Delaware, the filing of certificates of merger with the Secretary of State of the State of New Jersey and appropriate documents with the relevant authorities of other states in which the Company, the Purchaser or EGC is qualified to do business, (e) the DGCL, (f) the Public Utility Laws, (g) the Delaware anti-takeover laws applicable to the Merger, (h) the NJBCA, (i) the NJPUL, (j) the PUHCA, (k) ISRA, (l) environmental laws of the States of North Carolina, Pennsylvania, Maryland and New York, (m) statutes and regulations administered by FERC and (n) the transfer of the Company's franchises to the Purchaser, no consent, license, permit, approval, order or authorization of, or filing with, any Governmental Entity is required to be obtained or made by the Company or any Subsidiary in connection with the execution, delivery or performance by the Company of this Agreement and the instruments and documents required to be executed by it pursuant hereto or the consummation by the Company and its Subsidiaries of the transactions contemplated hereby, other than those which the failure to obtain or make would not have a Material Adverse Effect on the Company and the Subsidiaries of the Company taken as a whole.

5.6. Financial Statements; Regulatory Filings and Other Disclosure. The Company has heretofore delivered to the Purchaser (a) the audited consolidated financial statements of the Company and its consolidated Subsidiaries at and for each of the years ended September 30, 1992, 1991 and 1990, (b) the unaudited consolidated financial statements of the Company and its consolidated Subsidiaries for the quarters ended December 31, 1992 and March 31, 1993, (c) the Company's and each of its Subsidiaries Annual Reports to its shareholders for the fiscal years ended September 30, 1992, 1991 and 1990, (d) copies of all materials distributed to the shareholders of the Company since September 30, 1992 and (e) filings by the Company or any of its Subsidiaries with state regulatory authorities since September 30, 1989 (items (a) through (e) collectively to be known as, the "Company Reports"). As of their respective dates, the Company Reports did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited and unaudited consolidated financial statements of the Company and its consolidated Subsidiaries included in the Company Reports have been prepared in conformity with generally accepted accounting principles, in all material respects, and fairly present, in all material respects, the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the results of their operations and their cash flows for each of the periods then ended of the Company and its consolidated Subsidiaries subject where appropriate to normal year end adjustments.

5.7. Absence of Material Adverse Effect. Since September 30, 1992, there has not been any Material Adverse Effect on the Company and the Subsidiaries of the Company taken as a whole.

5.8. Litigation. As of the date hereof, except as set forth on Schedule 5.8 hereto, (a) there is no action, suit, proceeding or, to the best knowledge of the Company, investigation pending and, to the best knowledge of the Company, there is no action, suit, proceeding or investigation threatened against or affecting the Company or any of its Subsidiaries, or any of their respective properties before any Governmental Entity, which, individually or in the aggregate, if adversely determined, would result in any Material Adverse Effect on the Company and its Subsidiaries taken as a whole and (b) neither the Company nor any of its Subsidiaries is subject to any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator which has a Material Adverse Effect on the Company and the Subsidiaries of the Company taken as a whole.

5.9. Employee Benefit Plans. (a) Except as set forth on Schedule 5.9 hereto, neither the Company nor any of its Subsidiaries, maintains or contributes to any Plan, whether formal or informal, and there are no agreements, understandings or commitments to create any such Plan or to modify or change any existing Plan of the Company or any of its Subsidiaries (collectively, "Company Plans"), except as disclosed to Purchaser in writing prior to the date hereof. None of the Company Plans is a funded "welfare benefit plan" within the meaning of Section 419 of the Code or a "multiple employer plan" within the meaning of the Code or ERISA. Except as set forth on Schedule 5.9 hereto, the Company does not now, and has not for the five calendar years preceding the date hereof contributed to, a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

(b) The Company has heretofore delivered to the Purchaser true, correct and complete copies of (i) all documents which comprise the most current version of each of the Company Plans, including any related trust agreements, insurance contracts and drafts of proposed amendments, (ii) the three most recent Annual Reports (Form 5500 Series) and accompanying schedules as filed for each of the Company Plans for which such a report is required, (iii) the most current Summary Plan Description, if available (and any summary of material modifications) for each Company Plan, (iv) the three most recent audited financial statements for each of the Company Plans for which such a statement is required or was prepared, (v) the three most recent actuarial reports for each of the Company Plans for which such a report is required or was prepared and (vi) the most recent determination, if any, issued by the Internal Revenue Service with respect to each Company Plan's qualified status under Section 401(a) of the Code. Since the date of the documents delivered, there has not been any material change in the assets and liabilities of any of the Company Plans or any change in their terms and operations which could reasonably be expected to affect or alter the tax status or materially affect the cost of maintaining such Company Plan.

(c) Except as heretofore disclosed to the Purchaser's counsel, the Company and its Subsidiaries have each performed and complied in all material respects with all of their obligations under and with respect to the Company Plans and each of the Company Plans has, at all times, in form and operation complied in all material respects with its terms, and, where

applicable, the requirements of ERISA and the Code, and has not incurred any federal income or excise tax liability.

(d) Except as heretofore disclosed to the Purchaser's counsel, each Company Plan which is an "employee pension benefit plan" (as defined in Section 3(2) of ERISA) has received a determination from the Internal Revenue Service that it is qualified pursuant to Section 401(a) of the Code and nothing has occurred since the date of any such determination to cause the loss of such qualification.

(e) None of the Company Plans has incurred any "accumulated funding deficiency" (as defined in Section 302 of ERISA and Section 412 of the Code), and there is no unpaid contribution due prior to the date hereof with respect to any such Company Plan that is required to have been made under the terms of such Company Plan, Section 412 of the Code or Part 3 of Subtitle B of Title I of ERISA. No "reportable event" (as defined in Section 4043(b) of ERISA) has occurred with respect to any Company Plan. The actuarial present value (based on the actuarial assumptions used in the most recent actuarial valuation) of vested and nonvested "benefit liabilities," (as defined in Section 4001(a)(16) of ERISA) of each Company Plan that is subject to Title IV of ERISA, determined as of the most recent valuation date for each such Company Plan, using the actuarial method and assumptions used in the most recent actuarial valuation, did not exceed the aggregate fair market value of the assets of such Company Plan on such date, and no event has occurred since such date that would materially increase or decrease the value of such assets or liabilities.

(f) Neither the Company nor any of its Subsidiaries has any obligation to provide health or other non-pension related benefits to former employees, except as specifically required by law or as set forth on Schedule 5.9 hereto. The Company has satisfied all requirements imposed upon it to provide "continuous coverage" to such employees pursuant to the Consolidated Omnibus Budget Reconciliation Act.

(g) Neither the Company nor any of its Subsidiaries nor any other "disqualified person" or "party in interest" (as defined in Section 4975 of the Code and Section 3(14) of ERISA, respectively) has engaged in any "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA) with respect to any Company Plan, nor have there been any fiduciary violations under ERISA which could subject any such Company Plan (or its related trust), or the Company or any of its Subsidiaries (or any officer, director, employee, agent or representative thereof) to the penalty or Tax under Section 502(i) of ERISA or Sections 4971 and 4975 of the Code.

(h) As of the date of this Agreement (i) no filing, application or other matter with respect to any of the Company Plans is pending with the Internal Revenue Service, Pension Benefit Guaranty Corporation, United States Department of Labor or any other Governmental Entity and (ii) there is no action, suit or claim pending, other than routine claims for benefits, against or in any manner relating to any Company Plan.

(i) Neither the Company nor any of its Subsidiaries has incurred any liability or taken any action or has any knowledge of any action or event that could cause either of them to

incur any liability under Section 412 of the Code or Title IV of ERISA with respect to any "single-employer plan" (as defined in Section 4001(a)(15) of ERISA).

(j) Except as set forth in Section 7.5, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will, (i) entitle any current or former employee of the Company or any of its Subsidiaries to severance pay, unemployment compensation or any similar payment, (ii) accelerate the time of payment or vesting or increase the amount of any compensation due to any such employee or former employee, or (iii) directly or indirectly result in any payment made or to be made to or on behalf of any Person to constitute a "parachute payment" within the meaning of Section 280G of the Code.

5.10. Information Provided. None of the information supplied by the Company or any of its Subsidiaries included or incorporated by reference in the Registration Statement on Form S-4 (or such other form as shall be applicable to the registration of Purchaser Common Stock to be issued in connection with the Merger) to be filed by the Purchaser with the SEC under the Securities Act in order to register thereunder the shares of Purchaser Common Stock to be issued in connection with the Merger, including any amendments thereof (the "Registration Statement"), or the Proxy Statement contained therein to be used by the Company in soliciting proxies of its shareholders with respect to the Merger, including any amendments thereof or supplements thereto (the "Proxy Statement"), will, (i) at the date the Registration Statement or any post-effective amendment thereof becomes effective, (ii) at the date the Proxy Statement is mailed to the shareholders of the Company, (iii) at the date of the Shareholders Meeting of the Company and (iv) at all other times subsequent to such effectiveness, mailings or meeting up to and including the Effective Time, contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

5.11. Brokers or Finders. No broker, finder or investment banker is entitled to any brokerage, finder's fee or other commission or fee in connection with the Merger based upon arrangements made by or on behalf of the Company, except for a fee payable to Berwind Financial Group, Inc. pursuant to an agreement which has been delivered to the Purchaser prior to the date of this Agreement.

5.12. Tax Returns and Audits. Each of the Company and its Subsidiaries has duly filed all federal income tax returns required to be filed by it and has duly filed all other federal, state, local and foreign Tax returns and reports required to be filed by it, except where the failure so to file such other federal, state, local and foreign Tax returns and reports would not have a Material Adverse Effect on the Company and its Subsidiaries, taken as a whole, and has duly paid or made adequate provision on its books in accordance with generally accepted accounting principles for the payment of all Taxes which have been incurred or are due and payable, except where the failure so to pay would not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole. Except as set forth on Schedule 5.12 hereto, (a) there are no pending audits, examinations or proposed audits or examinations of any Tax returns filed by the Company or any of its Subsidiaries except where the outcome of such audits or examinations would not have a Material Adverse Effect on the Company and its Subsidiaries

taken as a whole and (b) neither the Company nor any of its Subsidiaries have given or been requested to give waivers or extensions of any statute of limitations relating to the payment of Taxes for which the Company or any of its Subsidiaries may be liable. As of the date of this Agreement, the consolidated federal income tax returns of the Company and its Subsidiaries have been audited by the Internal Revenue Service (or the appropriate statute of limitations has expired) for all fiscal years through and including September 30, 1989. All deficiencies asserted or proposed as a result of any examinations or audits of any Tax returns have been paid or adequately provided for on the books of the Company or one of its Subsidiaries in accordance with generally accepted accounting principles or will not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole. Except as set forth on Schedule 5.12 hereto, neither the Company nor any of its Subsidiaries (i) is a party to any agreement providing for the allocation, payment or sharing of Taxes among the Company, its Subsidiaries or any third parties, (ii) has any net operating loss carryovers, net capital loss carryovers or any other items the use of which, by deduction or credit or otherwise, would or may be limited by Section 382 of the Code, (iii) has filed any consent to the application of Section 341(f) of the Code with respect to any of its property, (iv) has an application pending with respect to any Tax requesting permission for a change in accounting method, (v) is required to make any adjustments to income pursuant to Section 481 of the Code or (vi) owns or leases any real property or otherwise holds any interest in real property that would or may subject the parties hereto or the Surviving Corporation to a transfer or gains tax as a result of the Merger.

5.13. Certain Agreements. Except as disclosed on Schedule 5.13 hereto, as of the date of this Agreement, none of the Company or any of its Subsidiaries is a party to any oral or written (a) employment, severance or collective bargaining agreement or consulting agreement not terminable on 60 days or less notice, (b) agreement, understanding or commitment with any executive officer or other employee of the Company or any of its Subsidiaries, (i) the benefits of which are contingent, or the terms of which are materially altered, upon the occurrence of a transaction involving the Company or any of its Subsidiaries of the nature of the transactions contemplated hereby or (ii) providing severance benefits or other benefits after the termination of employment of such executive officer or employee regardless of the reason for such termination of employment, (c) agreement, plan, arrangement, understanding or commitment under which any Person may receive payments subject to the Tax imposed by Section 4999 of the Code, (d) agreement, plan, understanding or commitment, including any stock option plan, incentive compensation plan, "phantom stock" plan, stock appreciation right plan, restricted stock plan or stock purchase plan, any of the benefits of which will be increased, or the vesting of benefits of which will be accelerated, by the occurrence of the transactions contemplated hereby, or the value of any of the benefits of which will be calculated on the basis of the transactions contemplated hereby, (e) agreement, trust, escrow account or bond to secure or provide for the payment of any amounts to any officers, employees or directors of the Company or any of its Subsidiaries, (f) franchise agreements or other authority of any Person authorizing the Company or any of its Subsidiaries to operate as a public utility or a public service company, (g) contracts for the purchase, sale or transportation of gas or (h) any (i) agreement, contract, indenture or other instrument, understanding or commitment relating to the borrowing of money or the guarantee of any obligation for the borrowing of money, in each case in excess of $15,000 or (ii) other agreement, contract, understanding or commitment having or reasonably foreseeable as

having in the future a Material Adverse Effect on the Company and its Subsidiaries taken as a whole.

5.14. PUHCA. The Company is not subject to the provisions of the PUHCA.

5.15. Labor Controversies. There are no controversies which would have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole, pending or, to the best knowledge of the Company, threatened between the Company or any of its Subsidiaries and any employees or any representatives of any of their employees and, to the best knowledge of the Company, there are no material organizational efforts presently being made involving any of the presently unorganized employees of the Company or any of its Subsidiaries. Each of the Company and its Subsidiaries has, to the best knowledge of the Company, complied in all material respects with all laws relating to the employment of labor, including any provisions thereof relating to wages, hours, collective bargaining and the payment or withholding of social security and similar Taxes, and no Person has, to the best knowledge of the Company, asserted that the Company or any of its Subsidiaries is liable in any material amount for any arrears of wages or any Taxes or penalties for failure to comply with any of the foregoing.

5.16. Insurance. The Company and its Subsidiaries have each maintained, and are now maintaining with what they reasonably believe are financially responsible insurance companies, insurance on their tangible assets and their businesses in such amounts and against such risks and losses as is customary for companies engaged in the industries in which the Company and its Subsidiaries conduct their businesses. All claims known to the Company or any of its Subsidiaries which the Company or such Subsidiary is obligated, under the terms of any insurance contract or otherwise, to report to one or more insurers have been duly and timely reported.

5.17. Plant, Property, Equipment and Other Assets. Schedule 5.17 hereto lists any real and personal property which has a replacement value of $25,000 or more owned or leased by the Company or any of its Subsidiaries. Each of the Company and its Subsidiaries has good, clear and marketable or insurable title to all the properties and assets listed on Schedule 5.17 hereto or acquired after the date hereof free and clear of all claims, liens, pledges, charges, security interests or other encumbrances of any nature whatsoever except (a) statutory liens securing payments not yet due and (b) such imperfections or irregularities of title, claims, liens, pledges, charges, security interests or other encumbrances as do not materially affect the use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties, or as do not materially impair the marketability thereof. The Company or one of its Subsidiaries is the lessee of all leases listed on Schedule 5.17 hereto or acquired after the date hereof and is in possession of the properties purported to be leased thereunder and each such lease is valid without default thereunder by the lessee or, to the best knowledge of the Company, the lessor.

5.18. Computer Software. Schedule 5.18 hereto lists all computer software programs used by the Company or any of its Subsidiaries other than any such programs the unavailability for use of which by the Company or such Subsidiary would not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole. Schedule 5.18 hereto sets

forth whether each computer software program listed thereon is owned by the Company or such Subsidiary (the "Owned Software"), or licensed by the Company or such Subsidiary from a third party (the "Licensed Software"). The Owned Software is owned by the Company or such Subsidiary free and clear of any claim, lien, pledge, charge, security interest or other encumbrance of any nature. The Licensed Software is used pursuant to certain agreements, true and correct copies of which have been provided to the Purchaser prior to the execution of this Agreement. There are no infringement suits, actions or proceedings pending or, to the best knowledge of the Company, threatened against the Company or any of its Subsidiaries with respect to any of the Owned Software.

5.19. Defaults. The Company and its Subsidiaries are not in default under or in violation of any provision of their respective Articles of Incorporation or By-laws or any franchise, indenture, mortgage, deed of trust, loan agreement, or any other agreement, understanding or commitment of any kind to which any of them is a party or by which any of them is bound or to which any of their properties is subject which default, or defaults in the aggregate, has or could have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole.

5.20. Absence of Certain Changes or Events. Since the date of the most recent audited financial statements included in the Company Reports, the Company and its Subsidiaries have conducted their respective businesses only in the ordinary course, and there has not been: (a) any damage, destruction or loss, whether covered by insurance or not, that has or could have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole; (b) any material adverse change in or affecting the businesses, properties, financial position or results of operations of the Company or any of its Subsidiaries which could have a Material Adverse Effect upon the Company and its Subsidiaries taken as a whole; (c) any change in the capital stock or any increase in the long-term debt of the Company or any of its Subsidiaries or (d) any action that, after the execution of this Agreement, is prohibited by Section 6.1.

5.21. Regulation as Utility. The Company and its Subsidiaries operate and are regulated as a public utility only in the States of Pennsylvania, New York, Maryland and North Carolina. The Company is also subject to regulation by the Federal Energy Regulatory Commission. Except as stated in this Section 5.21, neither the Company nor its Subsidiaries are subject to regulation as a public utility or public service company (or similar designation) by any jurisdiction.

5.22. Compliance with Applicable Laws. Except as set forth in Schedule 5.22 hereto, the businesses of the Company and its Subsidiaries are not being conducted in violation of any law, statute, ordinance, rule, regulation, judgment, decree, order or injunction of any Governmental Entity, except for possible violations which individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future will not have Material Adverse Effect on the Company and its Subsidiaries taken as a whole. No investigation or review by any Governmental Entity with respect to the Company or any of its Subsidiaries is pending or, to the best knowledge of the Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same, other than those the outcome of which will not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole.

5.23. Undisclosed Liabilities. The Company and its Subsidiaries have no obligations or liabilities of any nature, whether absolute, accrued, contingent or otherwise, of a nature required by generally accepted accounting principles to be recognized or disclosed in consolidated financial statements of the Company and its Subsidiaries, which are not reflected in the Company Reports.

5.24. Transfer of Surviving Common Stock. To the best knowledge of the Company, there is no present intention on the part of any shareholder of the Company who holds 1% or more of the Company Common Stock, to sell, transfer or otherwise dispose of the shares of Surviving Common Stock to be received by such shareholder as Merger Consideration.

5.25. Environmental Matters. Except as set forth in Schedule 5.25 hereto, (a) neither the Company nor any of its Subsidiaries has disposed of or arranged for the disposal of any hazardous substances, other than in conformity with applicable laws and regulations, except to the extent that such disposals do not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole; (b) to the best knowledge of the Company, neither the Company nor any of its Subsidiaries has been designated a potentially liable party for remedial action or response costs nor is under investigation or review by any Governmental Entity in connection with any facility, location, site or other property under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Federal Resource Conservation and Recovery Act, as amended, the Toxic Substance Control Act, the Clean Water Act, the Clean Air Act or comparable state statutes, except to the extent that any such designation does not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole; (c) to the best knowledge of the Company, the Company and its Subsidiaries' use, generation, processing, production, storage and disposal of hazardous substances is and has been in conformity with applicable laws and regulations; (d) to the best knowledge of the Company, no property currently or previously owned, leased or operated by the Company or any of its Subsidiaries has been used for the treatment, storage or disposal of hazardous substances, or as a landfill or other waste disposal site, except to the extent that such use does not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole; (e) to the best knowledge of the Company, underground storage tanks are not and have not been located on or under any property owned, leased or operated by the Company or any of its Subsidiaries, except to the extent that such storage tanks do not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole; and (f) to the best knowledge of the Company, there are no hazardous substances that may pose any material risk to safety, health or the environment on, under or about any property currently or previously owned, leased or operated by the Company or any of its Subsidiaries. For the purposes of this Section 5.25, "hazardous substances" shall mean those substances defined or listed by the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Federal Resource Conservation and Recovery Act, as amended, the Toxic Control Substance Act, the Clean Water Act, the Clean Air Act or comparable state statutes, and regulations thereunder.

5.26. Operating Condition. The Company and its Subsidiaries each (and, upon consummation of the Merger and receipt of the consents, licenses, permits, approvals, orders and authorizations contemplated by Section 5.5, the Surviving Corporation and its Subsidiaries will) own or lease all assets, real and personal, and hold all permits, franchises, licenses and other

approvals or authorizations necessary to carry on the business and operations of each of the Company and its Subsidiaries in substantially the same manner as such business and operations are carried on currently other than those assets, permits, franchises, licenses and other approvals or authorizations the failure of which to so own, lease or hold would not have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole.

5.27. Compliance Issues. There are no suits, claims or proceedings before any Governmental Entity, past or on-going, which taken individually or in the aggregate would be grounds for a Governmental Entity to refuse, deny or materially delay the issuance or approval of any consent, license, permit, order or other authorization necessary to consummate the Merger.

5.28. Exclusivity of Representations and Warranties. Except for the representations and warranties contained in this Article 5, the Company makes no other representations or warranties, express or implied, and the Company hereby disclaims any such representations or warranties, whether by the Company, any Subsidiary of the Company or any of their respective officers, directors, employees, agents or representatives, or any other Person, with respect to this Agreement and the transactions contemplated hereby, notwithstanding the delivery or disclosure to the Purchaser or any of its directors, officers, employees, agents or representatives, or any other Person, of any documentation or other information by the Company, any Subsidiary of the Company or any of their respective directors, officers, employees, agents or representatives, or any other Person, with respect to any one or more of the foregoing.

ARTICLE 6

CONDUCT OF BUSINESS PENDING THE MERGER

6.1. General Conduct of Company Business. Except as expressly set forth in this Agreement, during the period from the date of this Agreement to the Effective Time, the Company and each of its Subsidiaries will conduct its operations in the ordinary and usual course of business and consistent with past practice, and the Company and each of its Subsidiaries will use its best efforts to preserve intact its business organizations, to keep available the services of its officers and employees and to maintain satisfactory relationships with customers, suppliers, distributors and others having business relationships with it. Without limiting the generality of the foregoing, and except as otherwise expressly provided in this Agreement, prior to the Effective Time, none of the Company nor any of its Subsidiaries will, without the prior written consent of the Purchaser:

(a) Amend its Articles of Incorporation (or comparable charter documents) or By-Laws;

(b) Issue, sell, transfer, distribute, pledge or otherwise encumber or dispose of any shares of capital stock, any options, warrants or rights of any kind to acquire any shares of capital stock or any securities which are convertible into or exchangeable for any shares of capital stock of the Company or any of its Subsidiaries;

(c) (i) Split, combine, recapitalize or reclassify any shares of its capital stock, (ii) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of any shares of its capital stock or (iii) redeem or otherwise acquire any shares of the capital stock of the Company or any of its Subsidiaries, except (i) any Subsidiary of the Company may declare and pay dividends to the Company or any other Subsidiary of the Company and (ii) the Company may declare and pay to holders of shares of Company Common Stock regular quarterly dividends of not more than $0.44 per share on its customary quarterly dividend declaration and payment dates;

(d) (i) except as set forth on Schedule 6.1 hereto, adopt, enter into or amend any bonus, profit sharing, compensation, stock option, warrant, pension, retirement, deferred compensation, employment, consulting, indemnification, severance, termination or other employee benefit plan, agreement, trust fund or arrangement for the benefit or welfare of any officer, director or employee or (ii) agree to any increase in the compensation (including bonuses) payable or to become payable to any officer, director or employee;

(e) purchase or otherwise acquire by merger, consolidation, acquisition of securities or assets or otherwise, (i) any corporation, partnership, association or other business entity, organization or division thereof or (ii) any assets or properties which, in the case of either clause (i) or clause (ii), would be material, in the aggregate, to the Company and its Subsidiaries taken as a whole;

(f) sell, lease, mortgage, pledge, grant a security interest in or lien on, or otherwise dispose of or encumber any of its assets or properties which are material, in the aggregate, to the Company and its Subsidiaries taken as a whole;

(g) settle or compromise any litigation or regulatory proceeding involving the payment or expenditure of, or an agreement, understanding or commitment to pay over time, an amount in cash, notes or other property, over any amount paid by insurance, in excess of $10,000;

(h) except for (i) short-term indebtedness incurred in the ordinary course of business consistent with past practices and (ii) bank line of credit borrowings that shall not exceed $12,500,000 at any time, incur any indebtedness for borrowed money or guarantee any such indebtedness or issue or sell any debt securities or guarantee any debt securities of others;

(i) enter into any agreement, understanding or commitment which has a term of more than one year, unless such agreement, understanding or commitment may be terminated by the Company and, after the Effective Time of the Merger, the Surviving Corporation at any time upon no more than thirty (30) days notice without any penalty or payment of any kind; or

(j) Agree, whether in writing or otherwise, to do any of the foregoing.

6.2. No Solicitation or Negotiation. (a) From the date hereof until this Agreement shall have been terminated in accordance with its terms, neither the Company nor any Affiliate of the Company, nor any officer, director, employee, shareholder, representative or

agent of the Company or any Affiliate of the Company, shall, directly or indirectly, solicit or initiate or participate in any way in discussions or negotiations with, or provide any information or assistance to, or enter into an agreement or understanding with any Person or group of Persons (other than the Purchaser) concerning any acquisition, merger, consolidation, liquidation, dissolution, disposition or other transaction that would result in the transfer to any such Person or group of Persons (other than in the ordinary course of business) of all or any substantial part of the business or assets of, or all or any substantial equity interest in, the Company or any of its subsidiaries. The Company shall provide prompt notice to the Purchaser of any such discussions or negotiations.

(b) If at any time from the date hereof and prior to the termination of this Agreement, any Person or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) other than the Purchaser shall have (i) commenced a tender offer for 30% or more of the outstanding shares of the Company Common Stock, the acceptance of which has been recommended by the Board of the Company, or (ii) entered into an agreement, understanding for, or effected, a merger or other business combination with the Company, the acquisition of 30% or more of the outstanding shares of the Company Common Stock or the acquisition of all or any substantial part of the business or assets of the Company, then, at the Purchaser's request, the Company shall (A) pay to the Purchaser (immediately upon submission by the Purchaser of an invoice therefor) in New York Clearing House funds by certified or official bank check payable to the order of the Purchaser the sum of $500,000 plus all of the actual expenses of the Purchaser and its Subsidiaries (including legal fees and expenses) incurred in connection with the negotiation, preparation, execution and delivery of the Letter of Intent, the negotiation, preparation, execution and delivery of this Agreement, and any other actions taken in connection with the transactions contemplated hereby, including due diligence and actions relating to regulatory and other approvals and (B) pay to the Purchaser, not later than the consummation of such tender offer or the closing of such merger, business combination or any such acquisition, as the case may be, in New York Clearing House funds by certified or official bank check payable to the order of the Purchaser the sum of $500,000.

(c) The Company acknowledges that the agreements contained in the immediately preceding paragraph are an integral part of the transactions contemplated hereby, and that, without these agreements, the Purchaser would not have executed this Agreement; accordingly, if the Company fails to pay promptly the amounts set forth in the immediately preceding paragraph when due, the Company shall in addition thereto pay to the Purchaser all costs and expenses (including fees and disbursements of counsel) incurred in collecting such amounts (or any unpaid portion thereof) from the date such payment was required to be made until the date such payment is received by Purchaser at the prime rate as in effect from time to time during such period of Citibank, N.A.

6.3. Cash Dividends of the Purchaser. Prior to the Effective Time, the Purchaser will not, without the prior written consent of the Company, declare, set aside or pay any cash dividend in respect of any shares of Purchaser Common Stock, except that the Purchaser may declare and pay to holders of shares of Purchaser Common Stock regular quarterly dividends of not more than $0.50 per share on its customary quarterly dividend declaration and payment dates.

ARTICLE 7

ADDITIONAL COVENANTS

7.1. Preparation of Registration Statement and Proxy Statement. As promptly as practicable after the date of this Agreement, the Purchaser and the Company shall prepare the Proxy Statement. The Purchaser shall prepare and file the Registration Statement with the SEC, and shall use its reasonable best efforts to respond to any comments of the SEC and to cause the Registration Statement to be declared effective. The Purchaser shall notify the Company promptly of the receipt of any comments from the SEC or its staff and of any request by the SEC or its staff for amendments of or supplements to the Registration Statement or the Proxy Statement or for additional information. The Purchaser and the Company will supply each other with copies of all correspondence between the Purchaser and the Company or any of their representatives, on the one hand, and the SEC or its staff, on the other hand, with respect to the Registration Statement, the Proxy Statement or the transactions contemplated hereby. If at any time prior to the Effective Time any event shall occur that should be set forth in an amendment of or a supplement to the Registration Statement or the Proxy Statement, the Purchaser and the Company will prepare promptly and the Purchaser will file such an amendment or supplement with the SEC. The Company will not mail the Proxy Statement, or any amendment thereof or supplement thereto, to its shareholders unless it has first obtained the consent of the Purchaser to such mailing.

7.2. Approval of Shareholders. The Company, acting through its Board, shall, in accordance with applicable law: (a) duly call, give notice of, convene and hold an annual or special meeting of its shareholders (the "Shareholders Meeting") as promptly as practicable but in no event later than December 15, 1993, for the purpose of, among other things, considering and taking action upon this Agreement and the Merger; (b) include in the Proxy Statement the recommendation of its Board that shareholders vote in favor of the approval and adoption of this Agreement and the Merger and (c) use its reasonable best efforts to obtain the necessary approval of this Agreement and the Merger by its shareholders. The Purchaser agrees that, at the Shareholders Meeting, any shares of Company Common Stock then owned by the Purchaser and any Subsidiary or Affiliate of the Purchaser will be voted in favor of adoption and approval of this Agreement and the Merger.

7.3. EGC Merger. The Purchaser will take all required corporate action and the Purchaser and the Company will use their respective reasonable best efforts to obtain all required consents and approval so that on the day of the Effective Time at or after the time of consummation of the Merger, EGC will be merged with and into the Surviving Corporation pursuant to the NJBCA in a transaction which will constitute a complete liquidation under Section 332 of the Code. The Surviving Corporation shall be the surviving corporation in the EGC Merger. Upon the effectiveness of the EGC Merger, all outstanding shares of the EGC Common Stock shall be cancelled.

7.4. Access and Due Diligence. Each of the Purchaser and the Company will afford the other and its representatives reasonable access to all books, records, contracts,

facilities and personnel of the Purchaser and its Subsidiaries or the Company and its Subsidiaries, as the case may be, so that the other may conduct a due diligence investigation, including: analysis and review of financial statements and projections, mortgages and indentures, contracts and agreements, accounting methods, auditors' work papers, assets, liabilities, operations, business plans and prospects.

7.5. Employee Benefits, Management and Employment Agreements. (a) For at least five years after the Effective Time, the Surviving Corporation shall (i) maintain the Company's Retirement Plan and Employee Savings Plan as presently in effect or provide benefits comparable in type and amount to participants in such Plans, and (ii) provide benefits to each officer and other employee of the Company and its Subsidiaries for so long as such officer or other employee is employed during such period by the Surviving Corporation which, in the aggregate, are at least comparable to those currently provided by the Company and its Subsidiaries.

(b) For at least three years after the Effective Time, the Company will retain its independent identity as a division of the Surviving Corporation with its own division board of directors.

(c) At or prior to the Effective Time, the Purchaser shall enter into an employment agreement with Lyle C. Motley, Jr., President and Chief Executive Officer of the Company. Pursuant to such employment agreement, the Surviving Corporation shall agree to employ Mr. Motley for a period of three years, commencing on the Closing Date on the basis of Mr. Motley's title, duties and salary structure as of June 23, 1993. Such employment agreement shall provide that in the event that (i) Mr. Motley terminates his employment because the Surviving Corporation requests Mr. Motley to relocate or Mr. Motley's title or duties are downgraded from his title or duties on June 23, 1993 or (ii) the Surviving Corporation terminates Mr. Motley's employment without cause, the Surviving Corporation shall pay to Mr. Motley the salary payments payable to Mr. Motley under the terms of such employment agreement from the date of such termination through the remainder of such three-year period.

(d) At or prior to the Effective Time, the Purchaser shall enter into employment agreements with (i) James W. Carl, Vice President of the Company, (ii) James K. Turpin, Vice President of the Company, (iii) Bernard L. Smith, Treasurer and Assistant Secretary of the Company, and (iv) Donna S. Scrivens, Secretary of the Company (individually, an "Officer" and collectively, the "Officers"). Pursuant to such employment agreements, the Surviving Corporation shall agree to employ the Officers for a period of two years, commencing on the Closing Date on the basis of the Officers' respective titles, duties and salary structure as of June 23, 1993. Each such employment agreement shall provide that in the event the Surviving Corporation terminates the Officer's employment without cause, the Surviving Corporation shall pay to such Officer the salary payments payable to such Officer under the terms of such employment agreement from the date of such termination through the remainder of such two-year period. Each such employment agreement shall further provide that in the event that the Officer terminates his or her employment because the Surviving Corporation requests the Officer to relocate or the Officer's title or duties are downgraded from such Officer's title or duties on June 23, 1993, the Surviving Corporation shall pay to such Officer an amount equal to the greater of

(A) the salary payments payable to such Officer under the terms of such employment agreement for a period of one year following the date of such termination and (B) one month's salary (at the then current salary) for each year such Officer was employed by the Surviving Corporation (including employment by the Company prior to the Closing Date); provided, however, that in no event shall such payment exceed the salary payments payable to such Officer under the terms of such employment agreement from the date of such termination through the remainder of such two-year period.

(e) In the event the Surviving Corporation terminates without cause the employment of any other employee of the Company during the first year following the Closing Date, the Surviving Corporation shall pay to such employee an amount equal to one week's salary (at the then current salary) for each year such employee was employed by the Surviving Corporation (including employment by the Company prior to the Closing Date).

7.6. HSR Act. The Company and the Purchaser shall, as soon as practicable after the date of this Agreement, file Notification and Report Forms under the HSR Act with the FTC and the Antitrust Division and shall use their respective reasonable best efforts to respond as promptly as practicable to all inquiries received from the FTC or the Antitrust Division for additional information or documentation.

7.7. Regulatory Approvals. As soon as practicable after the date hereof, the Company and the Purchaser will cooperate in the preparation and filing of all materials necessary and desirable to obtain the approval of the transactions contemplated hereby or the disclaimer of jurisdiction with respect thereto by any regulatory body that has jurisdiction over the transactions contemplated hereby.

7.8. Additional Agreements. Subject to the terms and conditions herein provided, each of the parties agrees to use its reasonable best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective on or prior to December 31, 1993 the transactions contemplated hereby, including using its reasonable best efforts to obtain all necessary waivers, consents and approvals and effect all necessary registrations and filings, and make all submissions of information requested by Governmental Entities. If at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and directors of each party to this Agreement shall take all such necessary or desirable action.

7.9. Notification of Certain Matters. The Company shall give prompt notice to the Purchaser, and the Purchaser shall give prompt notice to the Company, of (a) any information that indicates that any representation or warranty contained herein was not true and correct in any material respect as of the date hereof or will not be true and correct in any material respect as of the Effective Time and (b) the occurrence of any event which will result, or has a reasonable prospect of resulting, in the failure to satisfy a condition specified in Sections 8.1, 8.2 or 8.3, as the case may be.

7.10. Confidentiality. All information provided to the Purchaser and its Subsidiaries, or their Affiliates, representatives or agents by or on behalf of the Company or its Subsidiaries or their Affiliates, representatives or agents concerning the Company and its Subsidiaries shall be governed by the Confidentiality Letter, dated February 17, 1993, from the Purchaser to the Company. All information provided to the Company and its Subsidiaries or their Affiliates, representatives or agents by or on behalf of the Purchaser or its Subsidiaries, or their Affiliates, representatives or agents concerning the Purchaser and its Subsidiaries shall be governed by the Confidentiality Letter, dated July 7, 1993, from the Company to the Purchaser.

7.11. Publicity. So long as this Agreement is in effect, no party hereto will issue any press release or make any other public announcement relating to this Agreement or the transactions contemplated hereby without the prior consent of the other, except that any party hereto may make any disclosure required to be made by it under applicable law (including the federal securities laws) if it determines in good faith that it is appropriate to do so and gives prior notice to the other party hereto, using its best efforts, given any time constraints, to reach the other party hereto and discuss such disclosure with the other party.

7.12. Agreement to Defend. In the event any claim, action, suit, investigation or other proceeding by any Governmental Entity or other Person is commenced which questions the validity or legality of this Agreement or any of the transactions contemplated hereby or seeks damages in connection therewith, the parties agree to cooperate and use their best efforts to defend against such claim, action, suit, investigation or other proceeding and, if an injunction or other order of the type referred to in Section 8.1(c) is issued with respect to or in any such action, suit or other proceeding, to use their best efforts to have such injunction or other order lifted.

7.13. Expenses. Subject to the provisions of Section 6.2, whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, including legal and auditing fees, the fees of their respective brokers, finders or investment bankers and printing expenses.

7.14. Letter of the Company's Accountants. The Company shall cause to be delivered to the Purchaser a letter of the Company's independent auditors, dated a date within two business days before the date as of which the Registration Statement becomes effective and addressed to the Purchaser, in form and substance reasonably satisfactory to the Purchaser, to the effect that:

(a) they are public accountants, independent with respect to the Company and its Subsidiaries within the meaning of the Securities Act and the Exchange Act and the applicable published rules and regulations thereunder;

(b) the financial statements of the Company audited by them and included or incorporated by reference in the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and of the published rules and regulations thereunder; and

(c) at the request of the Company, they have carried out procedures to a specified date not more than five business days prior to the date as of when the Registration Statement becomes effective, which do not constitute an audit in accordance with generally accepted auditing standards, of the financial statements of the Company and its consolidated Subsidiaries as follows: (i) read the unaudited financial statements of the Company and its consolidated Subsidiaries included or incorporated by reference in the Registration Statement, (ii) read the unaudited financial statements of the Company and its consolidated Subsidiaries for the period from the date of the most recent financial statements included or incorporated by reference in the Registration Statement through the date of the latest available interim financial statements, (iii) read the minutes of the meetings of shareholders and the Board of the Company and any committee thereof, and its consolidated Subsidiaries from the date of the most recent financial statements of the Company included or incorporated by reference in the Registration Statement to such date not more than five business days prior to the date as of when the Registration Statement becomes effective and (iv) consulted with certain officers of the Company responsible for financial and accounting matters as to whether any of the changes or decreases referred to below has occurred, and, based on such procedures, nothing has come to their attention which would cause them to believe that (A) any unaudited financial statements of the Company and its consolidated Subsidiaries included or incorporated by reference in the Registration Statement do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act or the Exchange Act and of the published rules and regulations thereunder; (B) such unaudited financial statements are not fairly presented in all material respects in conformity with generally accepted accounting principles (except as permitted by Form 10-Q of the SEC); (C) as of such date not more than five business days prior to the date as of when the Registration Statement becomes effective, there was, except as set forth in such letter, any (I) change in the capital stock, treasury stock or long-term debt of the Company or its Subsidiaries or (II) any decrease in capital in excess of par value, retained earnings, consolidated net assets, net current assets or investments of the Company in each case as compared with the amounts shown in the most recent balance sheet of the Company included or incorporated by reference in the Registration Statement or (D) for the period from the date of the most recent balance sheet of the Company included or incorporated by reference in the Registration Statement to the end of the month immediately preceding the date as of when the Registration Statement becomes effective, unless the Registration Statement becomes effective within the first ten calendar days of a month, in which case, to the end of the next to last calendar month prior to the calendar month in which the Registration Statement became effective, there were, except as set forth in such letter, any decreases, as compared with the corresponding period in the preceding year, in consolidated revenues or in the total or per share amounts of income before extraordinary items, income before income taxes or net income of the Company.

7.15. Reservation of Shares; Listing of Surviving Common Stock. Prior to the Closing the Purchaser shall reserve for issuance, out of its authorized but unissued Purchaser Common Stock, such number of shares of Purchaser Common Stock (which shall become Surviving Common Stock at the Effective Time) as may be issuable upon consummation of the Merger. The Purchaser will cause to be prepared and submitted to the NYSE a listing application covering the shares of Surviving Common Stock issuable in connection with the

Merger and will use its reasonable best efforts to obtain, prior to the Effective Time, approval for the listing of such shares of Surviving Common Stock upon official notice of issuance.

7.16. Blue Sky Permits. The Purchaser will use its reasonable best efforts to obtain, prior to the effective date of the Registration Statement, all necessary state securities law or "Blue Sky" permits and approvals required to carry out the Merger and the issuance of the Merger Consideration, provided that neither the Purchaser nor the Surviving Corporation shall be required to qualify as a foreign corporation or to consent to the service of process under the laws of any state except Pennsylvania, Maryland, New York and North Carolina.

7.17. Agreement by Affiliates. The Company will cause to be delivered to the Purchaser, at or prior to the Effective Time, a written agreement, in form and substance reasonably satisfactory to the Purchaser, from any Person that counsel for the Company may deem to be an "affiliate" of the Company within the meaning of such term as used in Rule 145 under the Securities Act, to the effect that no disposition of Surviving Common Stock received in the Merger will be made by such Persons except within the limits and in accordance with the applicable provisions of said Rule 145, as amended from time to time, or except in a transaction which, in the opinion of counsel reasonably satisfactory to the Surviving Corporation, is exempt from registration under the Securities Act.

7.18. Shareholder Agreements. The Company will cause to be delivered to the Purchaser, on or prior to the date of filing of the Registration Statement with the SEC, a written agreement, in form and substance reasonably satisfactory to the Purchaser, from shareholders of the Company who, immediately prior to the date of filing of the Registration Statement with the SEC, hold in the aggregate not less than 50% of the outstanding shares of Company Common Stock, pursuant to which such shareholders shall agree for a period of one year from the Closing Date not to sell, transfer or otherwise voluntarily dispose of an aggregate number of shares of Surviving Common Stock received by such shareholders in the Merger which have a value (determined using the Average Market Price) equal to not less than 50% of the aggregate Merger Consideration (assuming for purposes of this Section that there will be no Dissenting Shareholders).

ARTICLE 8

CONDITIONS

8.1. Conditions to Obligation of Each Party to Effect the Merger. The respective obligations of each party to effect the Merger shall be subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) This Agreement and the Merger shall have been duly approved and adopted by the requisite vote of the shareholders of the Company in accordance with applicable law;

(b) The waiting period (and any extension thereof) applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated;

(c) No law, statute, ordinance, rule, regulation, judgment, decree, order or injunction shall have been promulgated, enacted, entered or enforced by any Governmental Entity which restricts or prohibits the consummation of the Merger and, in any such case, remains in full force and effect on the Closing Date.

(d) The Registration Statement shall have become effective and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC; and

(e) The NYSE shall have approved the listing, upon official notice of issuance, of the shares of Surviving Common Stock issuable upon consummation of the Merger.

8.2. Additional Conditions to Obligations of the Company. The obligations of the Company to effect the Merger are also subject to the following conditions unless waived by the Company:

(a) The representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects as of the date hereof and (having been deemed to have been made again at and as of the Closing Date) shall be true in all material respects as of the Closing Date (except for such changes therein permitted by this Agreement). The obligations of the Purchaser under this Agreement required to be performed by it at or prior to the Closing Date shall have been duly performed and complied with in all material respects as of the Closing Date. At the Closing Date, the Company shall have received a certificate, dated the Closing Date and duly executed by the President or any Executive Vice President of the Purchaser, to the effect that the conditions set forth in this Section 8.2(a) have been satisfied;

(b) All permits, authorizations, consents and approvals of any Governmental Entity required to be obtained by the Company, any of its Subsidiaries, the Purchaser or any of its Subsidiaries as a condition to the lawful consummation of the Merger which in the aggregate if not obtained, would have a Material Adverse Effect on the Purchaser and its Subsidiaries, taken as a whole, shall have been obtained;

(c) The Company shall have received opinions from Kaye, Scholer, Fierman, Hays & Handler, Mary Patricia Keefe, Esq., counsel to the Purchaser, and such other counsel reasonably satisfactory to the Company, dated the Closing Date substantially in the respective forms of Exhibits A-1, A-2 and A-3 hereto. In rendering such opinions, such counsel may rely, to the extent such counsel deems such reliance necessary or appropriate, upon the opinions of other counsel, in form and substance reasonably satisfactory to the Company, and as to matters of fact upon certificates of government officials and of any officials of the Purchaser or its Subsidiaries and upon such other documents as such counsel deems appropriate, provided that the extent of such reliance is set forth in such opinion; and

(d) No law, statute, ordinance, rule, regulation, judgment, decree, order or injunction shall have been promulgated, enacted, entered or enforced by any Governmental Entity which would have a Material Adverse Effect on the Purchaser and its Subsidiaries taken as a whole and, in any such case, remains in full force and effect.

8.3. Additional Conditions to Obligations of the Purchaser. The obligations of the Purchaser to effect the Merger are also subject to the following conditions unless waived by the Purchaser:

(a) The representations and warranties of the Company contained in this Agreement shall be true in all material respects as of the date hereof and (having been deemed to have been made again at and as of the Closing Date) shall be true in all material respects as of the Closing Date (except for such changes therein permitted by this Agreement). The obligations of the Company under this Agreement required to be performed by the Company at or prior to the Closing Date shall have been duly performed and complied with in all material respects as of the Closing Date. At the Closing Date, the Purchaser shall have received a certificate, dated the Closing Date and duly executed by the President or any Vice President of the Company, to the effect that the conditions set forth in this Section 8.3(a) have been satisfied;

(b) (i) All permits, authorizations, consents and approvals of any Governmental Entity required to be obtained by the Company, any of its Subsidiaries, the Purchaser or any of its Subsidiaries as a condition to the lawful consummation of the transactions contemplated hereby shall have been obtained and (ii) all consents and approvals of each Person whose consent or approval is required pursuant to any agreement or instrument prior to the consummation of the transactions contemplated hereby shall have been obtained, except with respect to the foregoing clauses (i) and (ii), such permits, authorizations, consents and approvals which in the aggregate, if not made or obtained, would not have a Material Adverse Effect on the Purchaser and its Subsidiaries, taken as a whole, or the Company and its Subsidiaries, taken as a whole;

(c) The Purchaser shall have received opinions from Montgomery, McCracken, Walker & Rhoads, counsel to the Company, and such other counsel reasonably satisfactory to the Purchaser, each dated the Closing Date, substantially in the respective forms of Exhibits B-1 through B-5. In rendering such opinions, such counsel may rely, to the extent such counsel deems such reliance necessary or appropriate, upon the opinions of other counsel, in form and substance reasonably satisfactory to the Purchaser, and, as to matters of fact, upon certificates of government officials and of any officials of the Company or its Subsidiaries and such other documents as such counsel may deem appropriate, provided that the extent of such reliance is set forth in such opinion;

(d) The Purchaser shall have received a letter of the Company's independent auditors in form and substance reasonably satisfactory to the Purchaser making the statements required by Section 7.14 on the basis of procedures set forth therein carried out by them not more than five business days prior to the Closing Date;

(e) Holders of less than 5% of the shares of the Company Common Stock shall have exercised their right to dissent and seek appraisal of such shares pursuant to the DGCL; and

(f) No law, statute, ordinance, rule, regulation, judgment, decree, order or injunction shall have been promulgated, enacted, entered or enforced by any Governmental Entity which would have a Material Adverse Effect on (i) the Company and its Subsidiaries taken as a whole or (ii) upon consummation of the Merger and the EGC Merger, on the Surviving Corporation and its Subsidiaries taken as a whole and, in any such case, remains in full force and effect on the Closing Date.

ARTICLE 9

TERMINATION, AMENDMENT AND WAIVER

9.1. Termination. This Agreement may be terminated at any time prior to the Effective Time in accordance with Section 9.2, whether prior to or after approval by the shareholders of the Company:

(a) By mutual consent of the Purchaser and the Company;

(b) By either the Purchaser or the Company if a permanent injunction is entered, enforced or deemed applicable to the Merger which prohibits the consummation of the Merger and all appeals of such injunction shall have been taken and shall have been unsuccessful;

(c) By the Purchaser if a permanent injunction is entered, enforced or deemed applicable to the EGC Merger which prohibits the consummation of the EGC Merger and all appeals of such injunction shall have been taken and shall have been unsuccessful;

(d) By either the Purchaser or the Company if at the Shareholders Meeting (including any adjournment or postponement thereof) called pursuant to Section 7.2 or any successor meeting called for the same purpose, the requisite affirmative approval of the shareholders of the Company shall not have been obtained;

(e) By either the Purchaser or the Company if any Governmental Entity, the consent of which is a condition to the obligations of the parties hereto to consummate the Merger shall have determined not to grant its consent and all appeals of such determination shall have been taken and shall have been unsuccessful;

(f) By the Purchaser if any Governmental Entity, the consent of which is a condition to the obligations of the Surviving Corporation or EGC to consummate the EGC Merger shall have determined not to grant its consent and all appeals of such determination shall have been taken and shall have been unsuccessful; or

(g) By either the Purchaser or the Company if, without fault of such terminating party, the Merger has not been consummated by May 2, 1994.

9.2. Procedure and Effect of Termination. In the event of termination of this Agreement as provided in Section 9.1, notice thereof shall be promptly given by the terminating party to the other parties and thereafter this Agreement shall be of no further force or effect and there shall be no liability on the part of any party with respect thereto except (a) the provisions of this Section 9.2, Sections 7.10, 7.12 and 7.13, clause (c) of Section 10.4 and paragraphs (b) and (c) of Section 6.2 shall survive any such termination; provided, however, that, unless the Purchaser and the Company otherwise agree, paragraphs (b) and (c) of Section 6.2 shall not survive a termination pursuant to Section 9.1(a) if (i) the Company has provided written notice to the Purchaser, prior to any agreement to terminate this Agreement pursuant to Section 9.1(a), of any event for which notice is required pursuant to Section 6.2(a) and any payment obligation pursuant to Section 6.2(b), (ii) the Company has made any and all payments to the Purchaser required pursuant to Section 6.2(b) to be made prior to the date of such termination and (iii) the Company (A) has made any and all payments to the Purchaser required pursuant to Section 6.2(b) to be made subsequent to the date of such termination or (B) has otherwise entered into a written agreement with the Purchaser with respect to the payments referred to in the immediately preceding clause (A) and (b) nothing herein will relieve any party from liability for any willful breach of the covenants and agreements or fraudulent making of any representation or warranty contained herein.

9.3. Amendment. This Agreement may not be amended except by an instrument in writing executed on behalf of each of the parties; provided, however, that after the approval of the Merger by the shareholders of the Company, no amendments may be made which would alter or change (a) the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of the Company Common Stock upon consummation of the Merger, (b) any term of the articles of incorporation of the Purchaser or (c) any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any shares of the Company Common Stock.

9.4. Waiver. At any time prior to the Effective Time, the Purchaser, on the one hand, or the Company, on the other hand, may, only by an instrument in writing executed on its behalf, (a) extend the time for the performance of any of the obligations or other acts of the Company or the Purchaser, respectively, or (b) waive compliance with any of the agreements, or breach of any of the representations or warranties, of the Company or the Purchaser, respectively, or, to the extent legally permitted, with any conditions to its own obligations. Any such extension or waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure of any party to perform its obligation under this Agreement.

Exhibit J

ARTICLE 10

GENERAL PROVISIONS

10.1. Representations and Warranties. The respective representations and warranties of the parties contained in this Agreement shall not be deemed waived or otherwise affected by any investigation made by any party. Each and every such representation and warranty shall expire at, and be terminated and extinguished with, the Effective Time and thereafter no party, or any officer, director or employee thereof or of the Surviving Corporation, shall have any liability whatsoever with respect to any such representation or warranty. Notwithstanding anything contained in this Agreement to the contrary, the agreements and covenants contained in Article 3 and Sections 7.3, 7.5, 7.8 (the last sentence only), 7.13, clause (c) of Section 10.4, and Sections 10.5 and 10.6 shall survive (and not be affected in any respect by) the Effective Time. This Section 10.1 shall have no effect upon any other obligation of any party to be performed before or after the Effective Time.

10.2. Notices. All notices and other communications hereunder shall be given by telephone or facsimile transmission and immediately confirmed in writing and shall be deemed given if delivered personally or mailed by registered or certified mail (return receipt requested) or by a nationally recognized overnight delivery service to the parties at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):

(a) If to the Purchaser:

NUI Corporation
550 Route 202-206
P.O. Box 760
Bedminster, New Jersey 07921
(908) 781-0500
Facsimile: (908) 781-0718

Attn: President

With a copy to:

Gary Apfel, Esq.
Kaye, Scholer, Fierman, Hays & Handler
1999 Avenue of the Stars
16th Floor
Los Angeles, California 90067
(310) 788-1040
Facsimile: (310) 788-1202

Exhibit J

(b) If to the Company:

Pennsylvania & Southern Gas Company
102 Desmond Street
Sayre, Pennsylvania 18840-2093
(717) 888-6600
Facsimile: (717) 888-0396

Attn: President

With a copy to:

Kathleen O'Brien, Esq.
Montgomery, McCracken, Walker & Rhoads
Three Parkway
20th Floor
Philadelphia, Pennsylvania 19102
(215) 665-7200
Facsimile: (215) 636-9373

10.3. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

10.4. Miscellaneous. This Agreement (including the documents and instruments referred to herein) (a) constitutes the entire agreement and supersedes all other prior agreements and undertakings, both written and oral (including the Letter of Intent), between the parties with respect to the subject matter hereof; (b) shall not be assigned by operation of law or otherwise; and (c) shall be governed by the internal laws of the State of New Jersey (regardless of the laws that might otherwise govern under applicable principles of conflicts of law) as to all matters, including as to validity, performance, interpretation, effect and remedies except that the provisions of this Agreement relating to the Merger shall also be governed by Delaware law. This Agreement may be executed in two or more counterparts which together shall constitute a single agreement. Any information disclosed on any Schedule hereto shall be deemed fully disclosed for the purposes of all Schedules hereto.

10.5. Third-Party Beneficiaries. This Agreement (including the documents and instruments referred to herein) is not intended to confer upon any other Person any rights or remedies hereunder except that the parties hereto agree and acknowledge that the agreements and covenants contained in Section 7.5, are intended for the direct and irrevocable benefit of each and every employee and officer of the Company and its Subsidiaries (each such Person a "Third-Party Beneficiary"), and that each such Third-Party Beneficiary, although not a party to this Agreement, shall be and is a direct and irrevocable third-party beneficiary of such agreements and covenants and shall have the right to enforce such agreements and covenants against the Surviving Corporation in all respects fully and to the same extent as if such Third-Party Beneficiary were a party hereto.

10.6. Partial Invalidity. Any term or provision of this Agreement that is invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality, or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

IN WITNESS WHEREOF, the Purchaser and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ATTEST:

By: _____
Name: Joseph P. Coughlin
Title: Secretary

NUI CORPORATION

By: _____
Name: John Kean
Title: President

ATTEST:

By: _____
Name: Donna K. Scrivens
Title: Secretary

PENNSYLVANIA & SOUTHERN GAS COMPANY

By: _____
Name: Lyle C. Motley, Jr.
Title: President and CEO

Exhibit J
ADB

FILED

DEC 6 1995
1056887
LONNA R. HOOKS
Secretary of State

CERTIFICATE OF AMENDMENT OF
RESTATED CERTIFICATE OF INCORPORATION

of

NUI CORPORATION

Pursuant to Section 14A: 7-2(4) of the New Jersey
Business Corporation Act

NUI CORPORATION, a corporation organized and existing under the New Jersey Business Corporation Act, in accordance with the provisions of Section 14A:7-2(4) thereof, **DO HEREBY CERTIFY:**

That pursuant to the authority conferred upon the Board of Directors by the Amended and Restated Certificate of Incorporation of the said Corporation, the said Board of Directors on November 28, 1995 adopted the following resolutions creating a series of Preferred Stock designated as Series A Junior Participating Preferred Stock:

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of its Amended and Restated Certificate of Incorporation, a series of Preferred Stock of the Corporation be and it hereby is created and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional, and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" and the number of shares constituting such series shall initially be one hundred thousand (100,000), no par value, such number of shares to be subject to increase or decrease by action of the Board of Directors as evidenced by a certificate of designations.

Section 2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the last day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $10 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by

64208375 00
S 110913

reclassification or otherwise), declared on the Common Stock, no par value, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after November 28, 1995 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any quarterly Dividend Payment Date and the next subsequent quarterly Dividend Payment Date, a dividend of $10 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such share is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a Quarterly Dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of hares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of

Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) Directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of ten percent in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) Directors or, if such right is exercised at an annual meeting, to elect two (2) Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior Participating Preferred Stock.

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the Chairman of the Board, the President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph (C)(iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the

Corporation. Such meeting shall be called for a time not earlier than 10 days and not later than 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this paragraph (C)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two (2) Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C)(ii) of this Section 3) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this paragraph (C) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the Restated Certificate of Incorporation or by-laws irrespective of any increase made pursuant to the provisions of paragraph (C)(ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the Restated Certificate of Incorporation or by-laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(D) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series

A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up. (A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received $100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in subparagraph C below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the

ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Junior Participating Preferred Stock shall not be redeemable.

Section 9. Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment. The Restated Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of two-thirds (2/3) or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

Exhibit J

Section 8. No Redemption. The shares of Series A Junior Participating Preferred Stock shall not be redeemable.

Section 9. Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment. The Restated Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of two-thirds (2/3) or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

Section 11. Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate and do affirm the foregoing as true under the penalties of perjury this 1st day of December, 1995.

Attest:

James R. Van Horn
General Counsel and Secretary

John Kean, Jr.
President and Chief Executive Officer

Exhibit J

CGN

FILED
MAR 1 2001
STATE TREASURER

CERTIFICATE OF AMENDMENT

OF

RESTATED CERTIFICATE OF INCORPORATION

OF

NUI CORPORATION

Pursuant to Section 14A:9-2(4) of the New Jersey Business Corporation Act

NUI CORPORATION, a corporation organized and existing under the New Jersey Business Corporation Act (the "Corporation"), in accordance with the provisions of Section 14A:9-2(4) thereof, DOES HEREBY CERTIFY:

FIRST: The name of the Corporation is NUI Corporation.

SECOND: The change to the Certificate of Incorporation of the Corporation set forth below was adopted by the Corporation's shareholders at the 2000 Annual Meeting of Shareholders held on March 27, 2000:

VOTED: that the Certificate of Incorporation of the Corporation be amended to change the name of the Corporation to NUI Utilities, Inc.

THIRD: At the Annual Meeting of Shareholders held on March 27, 2000, the total number of shares entitled to vote on the amendment was 12,807,111 shares of common stock, no par value.

FOURTH: The number of shares voting for and against such amendment was as follows:

Number of Shares Voting For Amendment	Number of Shares Voting Against Amendment
8,595,769	153,863

FIFTH: This amendment shall become effective on March 1, 2001, at 4:30 p.m.

Date: March 1, 2001

NUI Corporation

By: _____
Name: John Kean, Jr.
Title: President

642-0837500

Exhibit J
AMC

CERTICATE OF EXCHANGE

OF

NUI CORPORATION

AND

NUI HOLDING COMPANY

FILED
MAR 1 2001
STATE TREASURER

Pursuant to Section 14A:10-13 of the New Jersey Business Corporation Act

NUI Corporation and NUI Holding Company file this Certificate of Exchange in relation to the Agreement and Plan of Exchange ("Exchange Agreement"), dated as of March 1, 2001, between NUI Corporation, a New Jersey corporation (the "Company") and NUI Holding Company, a New Jersey corporation ("NUI Holding Co.").

FIRST: The name of the acquired corporation is NUI Corporation. The name of the acquiring corporation is NUI Holding Company.

SECOND: The plan of exchange is incorporated in the Exchange Agreement, which is attached as Exhibit A.

THIRD: The Board of Directors of the Company approved the Exchange Agreement on March 23, 1999. The Board of Directors of NUI Holding Co. approved the Exchange Agreement on March 1, 2001.

FOURTH: The shareholders of the Company approved the Exchange Agreement on March 27, 2000 at the 2000 Annual Meeting of Shareholders. The shareholders of NUI Holding Co. approved the Exchange Agreement on March 1, 2001.

FIFTH: There were 12,807,111 shares of the Company's common stock, no par value, entitled to vote on adoption of the Exchange Agreement. Of these shares, the number voting for and against adoption of the Exchange Agreement was as follows:

Number of Shares Voting For Adoption	Number of Shares Voting Against Adoption
8,595,769	153,863

SIXTH: The boards of directors of the Company and NUI Holding Co. each approved the Exchange Agreement.

NYD 480569

6420837500

Exhibit J

SEVENTH: The share exchange pursuant to this Certificate of Exchange shall be effective on March 1, 2001 at 4:30 p.m.

Date: March 1, 2001

NUI Corporation

By:
Name: John Kean, Jr.
Title: President

Date: March 1, 2001

NUI Holding Company

By:
Name: John Kean, Jr.
Title: President

Exhibit J

AGREEMENT AND PLAN OF EXCHANGE

This AGREEMENT AND PLAN OF EXCHANGE (this "Agreement"), dated as of March 1, 2001, is between NUI CORPORATION, a New Jersey corporation (the "Company"), the company whose shares will be acquired pursuant to the Exchange described herein, and NUI Holding Company, a New Jersey corporation ("NUI Holding Co."), the acquiring company. The Company and NUI Holding Co. are hereinafter referred to, collectively, as the "Companies."

WITNESSETH:

WHEREAS, the authorized capital stock of the Company consists of (a) 30,000,000 shares of Common Stock, without par value ("Company Common Stock"), of which 13,122,429 shares are issued and outstanding, and (b) 5,000,000 shares of Preferred Stock, par value, of which no shares are issued and outstanding; the number of shares of Company Common Stock being subject to increase to the extent that shares reserved for issuance are issued prior to the Effective Time, as hereinafter defined;

WHEREAS, NUI Holding Co. is a wholly owned subsidiary of the Company with authorized capital stock consisting of (a) 30 million shares of Common Stock, without par value ("NUI Holding Co. Common Stock"), of which 100 shares are issued and outstanding and owned of record by the Company and (b) 5 million shares of Preferred Stock, without par value ("NUI Holding Co. Preferred Stock"), of which no shares are issued and outstanding;

WHEREAS, the Boards of Directors of the respective Companies deem it desirable and in the best interests of the Companies and the shareholders of the Company that each share of Company Common Stock be exchanged for a share of NUI Holding Co. Common Stock with the result that NUI Holding Co. becomes the owner of all outstanding Company Common Stock and that each holder of Company Common Stock becomes the owner of an equal number of shares of NUI Holding Co. Common Stock, all on the terms and conditions hereinafter set forth; and

WHEREAS, the Boards of Directors of the Companies have each approved and adopted this Agreement and the Board of Directors of the Company has recommended that its shareholders approve this Agreement pursuant to the New Jersey Business Corporation Act (the "Act") and the shareholders have approved this Agreement;

Exhibit J

WHEREAS, the parties hereto agree that at the Effective Time (as hereinafter defined) each share of Company Common Stock issued and outstanding immediately prior to the Effective Time will be exchanged for one share of NUI Holding Co. Common Stock (the "Exchange");

WHEREAS, for U.S. federal income tax purposes, it is intended that the Exchange will constitute a transaction described in section 351 of the Internal Revenue Code of 1986, as amended (the "Code");

NOW, THEREFORE, in consideration of the premises, and of the agreements, covenants and conditions hereafter contained in this Agreement, the parties agree as follows:

ARTICLE I

This Agreement was approved by the shareholders of the Company entitled to vote with respect thereto for approval as provided by the Act.

ARTICLE II

Subject to the satisfaction of the terms and conditions set forth in this Agreement and to the provisions of Article VI, NUI Holding Co. agrees to file with the Secretary of State of the State of New Jersey (the "Secretary of State") a Certificate of Share Exchange (the "Certificate") with respect to the Exchange, and the Exchange shall take effect upon the effective date as specified in the Certificate (the "Effective Time").

ARTICLE III

A. At the Effective Time:

(1) each share of Company Common Stock issued and outstanding immediately prior to the Effective Time shall be automatically exchanged for one share of NUI Holding Co. Common Stock, which shares shall thereupon be fully paid and non-assessable;

(2) NUI Holding Co. shall acquire and become the owner and holder of each issued and outstanding share of Company Common Stock so exchanged;

(3) each share of NUI Holding Co. Common Stock issued and outstanding immediately prior to the Effective Time shall be canceled and shall thereupon constitute an authorized and unissued share of NUI Holding Co. Common Stock;

Exhibit J

Exchange will be treated as a transaction described in Section 351 of the Code. In rendering such opinion, LeBoeuf shall be entitled to rely upon customary assumptions and representations of the Company and NUI Holding Company that are in form and substance reasonably satisfactory to LeBoeuf.

ARTICLE V

Following the Effective Time, each outstanding certificate which, immediately prior to the Effective Time, represented Company Common Stock shall be deemed and treated for all corporate purposes to represent the ownership of the same number of shares of NUI Holding Co. Common Stock. The holders of Company Common Stock at the Effective Time shall have no right to have their shares of Company Common Stock transferred on the stock transfer books of the Company, and such stock transfer books shall be deemed to be closed for this purpose at the Effective Time.

ARTICLE VI

This Agreement may be amended, modified or supplemented, or compliance with any provision or condition hereof may be waived, at any time, by the mutual consent of the Boards of Directors of the Company and of NUI Holding Co ; provided, however, that no such amendment, modification, supplement or waiver shall be made or effected, if such amendment, modification, supplement or waiver would, in the judgment of the Board of Directors of the Company, materially and adversely affect the shareholders of the Company.

Notwithstanding shareholder approval of this Agreement, this Agreement may be terminated and the Exchange and related transactions abandoned at any time prior to the time the Certificate is filed with the Secretary of State, if the Board of Directors of the Company determines, in its sole discretion, that consummation of the Exchange would be inadvisable or not in the best interests of the Company or its shareholders.

Exhibit J

IN WITNESS WHEREOF, each of the Company and NUI Holding Co., pursuant to authorization and approval given by its Board of Directors, has caused this Agreement to be executed as of the date first above written.

NUI CORPORATION

By:
Name: John Kaan, Jr.
Title: President

NUI HOLDING COMPANY

By:
Name: John Kaan, Jr.
Title: President

AMC Exhibit J PAGE 3/4

FILED

DEC 8 2003

State Treasurer

CERTIFICATE OF AMENDMENT
OF
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF NUI UTILITIES, INC.

Pursuant to Section 14A:9-2(4) of the New Jersey Business Corporation Act

NUI UTILITIES, INC., a corporation organized and existing under the New Jersey Business Corporation Act (the "Corporation"), in accordance with the provisions of Section 14A:9-2(4) thereof, DOES HEREBY CERTIFY:

FIRST: The name of the Corporation is NUI Utilities, Inc.

SECOND: The change to the Amended and Restated Certificate of Incorporation of the Corporation set forth below was adopted by the Corporation's sole shareholder at the Special Meeting of the Sole Shareholder held on November 24, 2003:

Article VII (a) of the Amended and Restated Certificate of Incorporation of the Corporation is hereby deleted in its entirety and is replaced as follows:

> "Except as otherwise fixed pursuant to Article VI relating to the rights of the holders of any class or series of preferred stock having a preference over the common stock as to dividends or upon liquidation, or to elect additional Directors under specified circumstances, the Board of Directors shall consist of at least six (6) and no more than twenty-five (25) persons; provided, however, that the authorized number of Directors may be changed to any number between six (6) and twenty five (25) from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized Directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption)."

THIRD: At the Special Meeting of the Sole Shareholder held on November 24, 2003, the total number of shares entitled to vote on the amendment was 12,807,111 shares of common stock, no par value.

FOURTH: The number of shares voting for and against such amendment was as follows:

Number of Shares Voting For Amendment	Number of Shares Voting Against Amendment
12,807,111	0

12/2/2003 11:31 AM (2K)
NEW YORK 2/3499-16 [1/3499_1.DOC]

642 0837500

FIFTH: This amendment shall become effective on November 24, 2003.

Date: December 2, 2003

NUI UTILITIES, INC.

By: Mary Patricia Keefe
Name: mary Patricia Keefe
Title: Vice President & Corporate Secretary

Exhibit J

A412

FILED
NOV 30 2004
STATE TREASURER

CERTIFICATE OF AMENDMENT
OF
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF NUI UTILITIES, INC.

*****

Pursuant to Section 14A:9-2(4) of the New Jersey Business Corporation Act:

NUI UTILITIES, INC., a corporation organized and existing under the New Jersey Business Corporation Act (the "Corporation"), in accordance with the provisions of Section 14A:9-2(4) thereof, DOES HEREBY CERTIFY:

FIRST: The name of the Corporation is NUI Utilities, Inc.

SECOND: The changes to the Amended and Restated Certificate of Incorporation of the Corporation set forth below were adopted by the Corporation's sole shareholder by the Action of the Sole Shareholder by Unanimous Written Consent in Lieu of Meeting dated November 30, 2004:

Article VII of the Amended and Restated Certificate of Incorporation of the Corporation is hereby deleted in its entirety and is replaced as follows:

"Except as otherwise fixed pursuant to Article VI relating to the rights of the holders of any class or series of preferred stock having a preference over the common stock as to dividends or upon liquidation, or to elect additional Directors under specified circumstances, the Board of Directors shall consist of one or more persons as determined in accordance with the Bylaws of the Company."

THIRD: The number of shares entitled to vote on the amendment was 12,807,111.

FOURTH: The number of shares voting for and against such amendment was as follows:

Number of Shares Voting For Amendment	Number of Shares Voting Against Amendment
12,807,111	0

S1484826
F 28166063

NYC547065.4

042083750 0

Exhibit J

FIFTH: This amendment shall become effective on November 30, 2004.

NUI UTILTIES, INC.

By: _____
Kevin P. Madden
Chairman of the Board of Directors

Exhibit J

CGN

FILED
MAR 11 2005
STATE TREASURER

CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
NUI UTILITIES, INC.

Pursuant to Section 14A:9-4(3) of the New Jersey Business Corporation Act, NUI Utilities, Inc. executes the following Certificate of Amendment.

1. The name of the corporation is NUI Utilities, Inc. (the "Company").

2. The Amended and Restated Certificate of Incorporation of the Company is amended by deleting Article I in its entirety and replacing it with a new Article I to read as follows:

"ARTICLE I.

The name of the Company is Pivotal Utility Holdings, Inc."

3. The amendment was adopted by the sole shareholder of the Company on March 1, 2005.

4. The Company has 12,807,111 shares outstanding and entitled to vote on the amendment, all of which voted for the amendment.

[Signature appears on the following page]

6420837500

S1526996
J3889135

Exhibit J

NUI UTILITIES, INC.

Date: March 11, 2005

By: Myra Coleman
Myra Coleman
Corporate Secretary

Exhibit

STATE OF NEW JERSEY
DEPARTMENT OF TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

PIVOTAL UTILITY HOLDINGS, INC.

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the
Certificate Of Incorporation
Amendments
Name Changes
Corrections
Restated
And Mergers
as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 18th day of April, 2005

John E McCormac, CPA
State Treasurer

Exhibit J

STATE OF NEW JERSEY
DEPARTMENT OF TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

ETG ACQUISITION CORP.
0101046208

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department a Certificate of Amendment on November 16th, 2017 and that the attached is a true copy of this document as the same is taken from and compared with the original(s) filed in this office and now remaining on file and of record.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 17th day of November, 2017

Ford M Scudder
State Treasurer

Certificate Number: 14006614
Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

C-102 Rev. 3/2013

New Jersey Division of Revenue & Enterprise Services

CERTIFICATE OF AMENDMENT TO THE CERTIFCATE OF INCORPORATION BY THE INCORPORATOR(S)

(For Use by Domestic Profit and Nonprofit Corporations)

To file electronically:
1. Enter the information requested below and sign by typing your name in the signature field. The form can only be filled in using the free Adobe Acrobat Reader 9.1 or greater. *(See the pages following this form for field by field instructions, and notes on delivery and processing of work requests.)*
2. Click the "Add Attachments" button to add attachments if required *(Check the field by field instructions to see if you must include an attachment(s)).*
3. After the form has been filled in properly, please save a copy to your computer so that you can upload the form to the State of New Jersey Division of Revenue & Enterprise Services Central Forms Repository Web application by following the instructions in the next step.
4. Click the "Open the Central Forms Repository Home Page to start the Form Submission Process" button at the bottom of the form.
(This action will launch the State of New Jersey Division of Revenue & Enterprise Services Central Forms Repository Web application. If you have not created an account in the application, you will need to do so before using the online Web application. Once your account is created, please login to the application and follow the instructions for submitting your form and payment online.)

Check Appropriate Statute:

☒ NJSA 14A:9-1 et seq. New Jersey Profit Corporation Act (File in Duplicate)

☐ NJSA 15A:9-1 et seq. New Jersey Nonprofit Corporation Act (File in Triplicate)

CGN

The Undersigned Incorporator(s), for the purpose of amending the original Certificate of Incorporation, does (do) hereby execute the following Certificate of Amendment, pursuant to the provisions of the appropriate Statute, checked above, of the New Jersey Statutes.

FILED
NOV 16 2017
STATE TREASURER

1. Name of Corporation: Scarlet Acquisition Corp.

2. Corporation number: 0101046208

3. Article I of the Certificate of Incorporation is hereby amended to read as follows:

The name of the corporation (the "Corporation") is ETG Acquisition Corp. 0101046208

4. The foregoing amendment was adopted by the unanimous consent of the Incorporator(s) before the organization meeting of the first Board of Directors/Trustees.

5. Other provisions:

Signature: VS Anthony Sotomayor Date: 11.16.17
☒ By clicking the checkbox, I have read and certify it was signed.

Signature: _____ Date: _____
☐ By clicking the checkbox, I have read and certify it was signed.

Signature: _____ Date: _____
☐ By clicking the checkbox, I have read and certify it was signed.

Signature: _____ Date: _____
☐ By clicking the checkbox, I have read and certify it was signed.

Signature: _____ Date: _____
☐ By clicking the checkbox, I have read and certify it was signed.

Signature: _____ Date: _____
☐ By clicking the checkbox, I have read and certify it was signed.

Add Attachments | Open the Central Forms Repository Home Page to start the Form Submission Process

S 2926037 + 5160693 + 5160694

CERTIFICATE OF INCORPORATION

OF

SCARLET ACQUISITION CORP.

FILED
OCT 16 2017
STATE TREASURER

0101041620 8

ARTICLE I

Name

The name of the corporation (the "Corporation") is Scarlet Acquisition Corp.

ARTICLE II

Purpose

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the New Jersey Business Corporation Act.

ARTICLE III

Authorized Capital Stock

The Corporation shall be authorized to issue one class of stock to be designated Common Stock; the total number of shares which the Corporation shall have authority to issue is 1,000, and each such share shall have a par value of $0.001.

ARTICLE IV

Registered Office and Agent

The address of the Corporation's initial registered office is Princeton South Corporate Center, Suite 160, 100 Charles Ewing Blvd, Ewing, New Jersey 08628; the name of the Corporation's initial registered agent at that address is Corporation Service Company.

ARTICLE V

First Board of Directors

The first board of directors will consist of two persons whose names and addresses are as follows:

Steven Cocchi, 1 South Jersey Plaza, Folsom, New Jersey 08037

Steve Clark, 1 South Jersey Plaza, Folsom, New Jersey 08037

ARTICLE VI

Indemnification

Every person who is or was a director or officer of the Corporation shall be indemnified by the Corporation to the fullest extend allowed by law, including the indemnification permitted by N.J.S. 14A:3-5(8). During the pendency of a proceeding, the Corporation shall advance expenses, from time to time, as they are incurred, to any such person, subject to receipt by the Corporation of an undertaking by that person as required by law.

ARTICLE VII

Personal Liability of Directors and Officers

A director or an officer of the Corporation shall not be personally liable to the Corporation or its shareholders for the breach of any duty owed to the Corporation or its shareholders except to the extent that an exemption from personal liability is not permitted by the New Jersey Business Corporation Act.

ARTICLE VIII

Incorporator

The name and address of the incorporator of the Corporation is as follows:

Anthony Sotomayor
c/o Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Incorporation on this 16th day of October, 2017.

Anthony Sotomayor, Incorporator

STATE OF NEW JERSEY
DEPARTMENT OF TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SCARLET ACQUISITION CORP.
0101046208

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department a Certificate of Incorporation on October 16th, 2017 and that the attached is a true copy of this document as the same is taken from and compared with the original(s) filed in this office and now remaining on file and of record.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 17th day of October, 2017

Ford M Scudder
State Treasurer

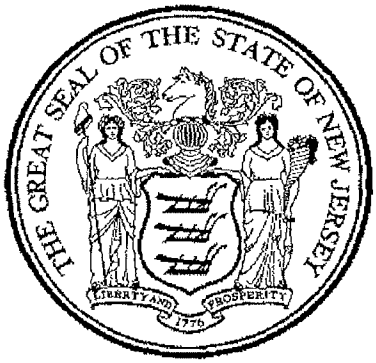
Certificate Number: 139988408

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
CERTIFICATE RELATIVE TO CORPORATE FILING

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify that the above named business did on January 10, 1921, file and record in this department a certificate of Incorporation as by the statutes of this state required.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268408

Verify this certificate online at

https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

X 1347

CERTIFICATE OF AMENDMENT

of

ATLANTIC CITY GAS COMPANY.

Dated, May 28, 1931.

FILED AND RECORDED
JUN 2 - 1931
SECRETARY OF STATE

Recorded in Book ____
Page ____ of Corporations

Exhibit J

ATLANTIC CITY GAS COMPANY

CERTIFICATE OF AMENDMENT.

ATLANTIC CITY GAS COMPANY, a corporation of the State of New Jersey, does hereby CERTIFY:

1. The principal office of the corporation is at No. 80 Park Place, in the City of Newark, County of Essex and State of New Jersey, and the name of the agent therein and in charge thereof upon whom process against this corporation may be served is Charles M. Breder.

2. The Board of Directors of said corporation, at a meeting duly convened and held on the twenty-first day of May, A.D. nineteen hundred and thirty-one, duly passed and adopted a resolution, a true copy of which is as follows:

"The Board of Directors of Atlantic City Gas Company, a corporation of New Jersey, on this twenty-first day of May, A.D. nineteen hundred and thirty-one, do hereby resolve and declare that it is advisable that the authorized common capital stock of this corporation be increased from fifty thousand (50,000) shares without nominal or par value to one hundred thousand (100,000) shares without nominal or par value, and to that end and for that purpose that Article VI of the certificate of incorporation, the same being an agreement of consolidation and merger filed in the Office of the Secretary of State on April eighteenth, one thousand nine hundred and twenty-seven, be amended to read as follows:

'ARTICLE VI.

'The consolidated corporation is authorized to issue capital stock to the extent of Two Million Dollars ($2,000,000) of seven per cent. (7%) cumulative preferred stock divided into twenty thousand (20,000)

shares of the par value of One Hundred Dollars ($100) each, and one hundred thousand (100,000) shares of common stock, without nominal or par value. All or any part of the shares of common stock without nominal or par value may be issued by the corporation from time to time and for such consideration as may be determined upon and fixed from time to time by the Board of Directors. The holders of the preferred stock shall be entitled to receive cumulative dividends from and after the date of issue thereof at the rate of seven per cent. (7%) per annum and no more, payable quarterly on the first day of January, April, July and October of each year. No dividends shall be declared or paid at any time upon any shares of the common stock of the corporation, unless and until all dividends upon the preferred stock then accumulated and accrued have been declared and have been paid in full, or a sum sufficient for payment thereof shall have been set aside for that purpose from the corporation's surplus or net profits. The corporation may, on any quarterly dividend date, at its option, call and redeem all of the outstanding preferred stock at the rate of one hundred and three per cent. (103%) of the par value thereof, together with all accumulated or accrued and unpaid dividends to the date fixed for such redemption, having first given twenty (20) days' notice of such call and redemption by mail to each holder of record, at his post-office address appearing upon the books of the corporation. Upon the day fixed for such redemption payment shall be made to the holders of record, at the office of the corporation, in the City of Newark, upon presentation and surrender of their stock certificates, duly endorsed for transfer. In any application which

shall be made of the funds and assets of the corporation, or any part thereof, to the redemption or repayment of its shares of capital stock (other than by call as aforesaid), or in distribution on account thereof, whether voluntary or involuntary, the holders of the preferred stock shall be entitled to be paid in full from the assets of the corporation the par value of their shares and all accumulated or accrued and unpaid dividends thereon before any payment shall be made to the holders of common stock, and thereafter, but not otherwise, the remaining assets of the corporation shall be distributed pro rata among the holders of the then outstanding common stock. The holders of the preferred stock shall have no voting power, the entire voting power being vested in the holders of the common stock. The holders of preferred stock waive all right to subscribe to any subsequent issues of stock, preferred or common, now or hereafter authorized."

And hereby call a meeting of the stockholders, to be held at the office of the corporation in the City of Newark on the twenty-seventh day of May , A.D. nineteen hundred and thirty-one, at ten A.M. to take action upon the above resolution."

3. Said Atlantic City Gas Company has increased its capital stock and amended its said certificate of incorporation, said increase and amendment having been declared by a resolution of the Board of Directors of said corporation (above recited) to be advisable and having been duly and regularly assented to by the vote of two-thirds in interest of each class of stockholders having voting powers at a meeting duly called by the Board of Directors for that purpose.

IN WITNESS WHEREOF, said corporation has made this certificate under its seal and the hands of its President and

Secretary, the 28th day of May , A.D. one thousand nine hundred and thirty-one.

Chester Grey.
President.

Secretary.

ATTEST:

Secretary.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

X 13409 ~~A-172~~

AGREEMENT OF MERGER

ATLANTIC CITY GAS COMPANY

and

PEOPLES GAS COMPANY

DATED:

FILED AND RECORDED
APR 7 - 1947
SECRETARY OF STATE

Recorded in book
Page
of Corporations

28

Exhibit J

Exhibit J

AGREEMENT OF MERGER
ATLANTIC CITY GAS COMPANY
and
PEOPLES GAS COMPANY

***

THIS AGREEMENT, made this 9th day of September A.D., One thousand nine hundred and forty-six, between the Directors of PEOPLES GAS COMPANY, a corporation organized and existing under the Laws of the State of New Jersey, party of the first part, and the Directors of ATLANTIC CITY GAS COMPANY, a corporation organized and existing under the Laws of the State of New Jersey, party of the second part, under the corporate seals of each of said corporations, for and on behalf of each of said corporations, and in accordance with the provisions of the Act entitled "An Act concerning corporations (Revision of 1896)", approved April 21st, 1896, and the amendments thereof and supplements thereto (Chap. 13 of Title 14 of Revised Statutes).

WHEREAS, each of the said corporations parties hereto are duly organized for the carrying on of a business of the same or a similar nature and the respective Boards of Directors of each of the parties hereto deem it advisable to merge the party of the first part into the party of the second part upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual agreements, covenants, provisions and grants herein made, it is hereby agreed by and between the said Directors of each of the parties hereto, for and in behalf of their respective corporations, parties hereto, as follows:

Exhibit J

ARTICLE I.

On this agreement becoming effective the party of the first part is merged into the party of the second part, and said party of the second part, ATLANTIC CITY GAS COMPANY, is to continue and remain a corporation fully possessed of all and singular the property, powers and authority owned or possessed by it and by the said party of the first part at the time this agreement becomes effective, all as provided by the statute in such case made and provided; no new corporation being hereby formed but the party of the first part being absorbed by and merged into the party of the second part.

ARTICLE II.

Before this agreement becomes effective it must be adopted by the stockholders of each of the parties hereto, in accordance with the provisions of the statute in such case made and provided; must be approved by the Board of Public Utility Commissioners of the State of New Jersey and the Securities and Exchange Commission.

ARTICLE III.

The principal office of each of the parties hereto is at No. 80 Park Place, in the City of Newark, County of Essex and State of New Jersey, and the agent therein and in charge thereof upon whom process against each of the parties hereto may be served is WILLIAM H. FEILER; after this agreement becomes effective the principal office of

Atlantic City Gas Company, party of the second part, will remain at No. 80 Park Place, in the City of Newark, County of Essex and State of New Jersey, and the agent therein and in charge thereof upon whom process against Atlantic City Gas Company, party of the second part, may be served is WILLIAM H. FULLER.

ARTICLE IV.

The Board of Directors of Atlantic City Gas Company, party of the second part, shall, upon this agreement becoming effective, consist of eight members (subject to change or alteration as in the statute provided) and the names and places of residence of the said Directors and the Officers of said company, who shall hold office until the third Monday in April in the year One thousand nine hundred and forty-seven, and until their successors are elected or appointed and qualify, are as follows:

DIRECTORS	PLACE OF RESIDENCE
George H. Blake,	Llewellyn Park, West Orange, New Jersey,
Percy S. Young,	97 Warren Place, Montclair, New Jersey,
Franklyn Heydecke,	10 Glen Ridge Parkway, Montclair, New Jersey,
Henry P.J. Steinmetz,	45 North Crescent, Maplewood, New Jersey,
Frederick A. Lydecker,	48 Lincoln Street, Glen Ridge, New Jersey,
John L. Conover,	1261 Robert Street, Hillside, New Jersey,
Earl Smith,	30 North Granville Avenue, Margate City, New Jersey,
Earl J. Menerey,	1115 Boulevard, Pitman, New Jersey.

135

Atlantic City Gas Company, party of the second part, will remain at No. 80 Park Place, in the City of Newark, County of Essex and State of New Jersey, and the agent therein and in charge thereof upon whom process against Atlantic City Gas Company, party of the second part, may be served is WILLIAM H. FELLER.

ARTICLE IV.

The Board of Directors of Atlantic City Gas Company, party of the second part, shall, upon this agreement becoming effective, consist of eight members (subject to change or alteration as in the statute provided) and the names and places of residence of the said Directors and the Officers of said company, who shall hold office until the third Monday in April in the year One thousand nine hundred and forty-seven, and until their successors are elected or appointed and qualify, are as follows:

DIRECTORS	PLACE OF RESIDENCE
George H. Blake,	Llewellyn Park, West Orange, New Jersey,
Percy S. Young,	97 Warren Place, Montclair, New Jersey,
Franklyn Heydecke,	10 Glen Ridge Parkway, Montclair, New Jersey,
Henry P.J. Steinmetz,	45 North Crescent, Maplewood, New Jersey,
Frederick A. Lydecker,	48 Lincoln Street, Glen Ridge, New Jersey,
John L. Conover,	1261 Robert Street, Hillside, New Jersey,
Earl Smith,	30 North Granville Avenue, Margate City, New Jersey,
Earl J. Menerey,	1115 Boulevard, Pitman, New Jersey.

Exhibit J-

O F F I C E R S

President.

George H. Blake, Llewellyn Park, West Orange, New Jersey.

Vice-Presidents.

Earl Smith, 30 North Granville Avenue, Margate City, New Jersey,

Earl J. Menerey, 1115 Boulevard, Pitman, New Jersey,

Franklyn Heydecke, 10 Glen Ridge Parkway, Montclair, New Jersey.

Secretary.

William H. Feller, 733 Summit Street, Linden, New Jersey.

Assistant Secretary.

William T. Crudge, 17 Sutton Place, Verona, New Jersey.

Treasurer.

T. Wilson Van Middlesworth, 264 Grant Avenue, Highland Park, New Jersey.

Assistant Treasurers.

Frederick A. Reis, 16 Park Place, Newark, New Jersey,

Elmer W. Dickson, 448 Walton Road, Maplewood, New Jersey.

ARTICLE V.

1. The authorized capital stock of Atlantic City Gas Company, party of the second part, will be 2,000,000 shares of Common Stock of the par value of $5 each, of which 550,319 shares will be presently issued in conversion of the stock of the parties hereto, as hereinafter provided.

2. The stocks of the parties hereto presently issued and outstanding are owned by Public Service

136

Exhibit J

Corporation of New Jersey and 8,820 shares of 7% Cumulative Preferred Stock of the par value of $100 each, and 57,000 shares of Common Stock, without nominal or par value, of Atlantic City Gas Company, party of the second part, and 58,375 shares of Common Stock, without nominal or par value of Peoples Gas Company, party of the first part, are hereby converted into 550,319 shares of the par value of $5 of the Common Stock of this Company and the outstanding stocks of the parties hereto as of the time of this agreement becoming effective shall be cancelled and be void and of no effect, excepting for the purpose of exchange as herein provided for.

ARTICLE VI.

The By-Laws of Atlantic City Gas Company, party of the second part, shall continue until changed, altered or amended to be the By-Laws of Atlantic City Gas Company after this agreement becomes effective, except to the extent that the number of directors therein provided for, shall be changed as hereinbefore provided, from seven to eight members.

IN WITNESS WHEREOF, the said corporations, parties to this agreement, in pursuance of resolutions passed by the respective Boards of Directors thereof, have caused their respective corporate seals to be hereunto affixed and these presents to be signed by their respective Presidents or Vice-Presidents and attested by their respective Secretaries or Assistant

Exhibit J

Secretaries, and the said Directors of each of said corporations have also duly signed these presents, all as of the day and year first above written.

PEOPLES GAS COMPANY,

(SEAL)

By Earl J. Menerey
(Earl J. Menerey)
President.

Attest:
William T. Crudge
(William T. Crudge)
Assistant Secretary.

George H. Blake
(George H. Blake)

Percy C. Young
(Percy C. Young)

Franklyn Heydecke
(Franklyn Heydecke)

Henry P.J. Steinmetz
(Henry P.J. Steinmetz)

Frederick A. Lydecker
(Frederick A. Lydecker)

John L. Conover
(John L. Conover)

Earl J. Menerey
(Earl J. Menerey)

DIRECTORS of
PEOPLES GAS COMPANY.

ATLANTIC CITY GAS COMPANY,

(SEAL)

By Earl Smith
(Earl Smith)
President.

Attest:
William H. Feller
(William H. Feller)
Secretary.

1285

Exhibit J

(7)

(George H. Bleke)

(Leroy S. Young)

(Franklyn Heydecke)

(Henry J.J. Steinmetz)

(Frederick A. Lydecker)

(John E. Donovan)

(Mark Smith)

MEMBERS of
ATLANTIC CITY SEA SCHOOL.

129

73

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Name Change as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268446

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

X13409

CERTIFICATE OF CHANGE OF NAME

OF

ATLANTIC CITY GAS COMPANY

DATED:

FILED AND RECORDED
MAY 5 - 1947
Lenyard Marsh
SECRETARY OF STATE

Recorded in book_____
Page____ of Corporations

138

Exhibit J

CERTIFICATE OF CHANGE OF NAME

of

ATLANTIC CITY GAS COMPANY

The location of the principal office in this State is at No. 80 Park Place, in the City of Newark, County of Essex.

The name of the Agent therein and in charge thereof upon whom process against this Corporation may be served is WILLIAM H. FELLER.

RESOLUTION OF DIRECTORS

"RESOLVED, that the Board of Directors of this Company do hereby declare that it is advisable that the name of this Company shall be changed to SOUTH JERSEY GAS COMPANY, and do hereby call a meeting of the stockholders, to be held at the Company's office, No. 80 Park Place, in the City of Newark, County of Essex and State of New Jersey, on the twenty eighth day of April, 1947, at 10:00 A.M., to take action upon the above resolution."

CERTIFICATE OF CHANGE

Atlantic City Gas Company, a corporation of New Jersey, doth HEREBY CERTIFY that it has changed its name to SOUTH JERSEY GAS COMPANY, said change in name having been declared by resolution of the Board of Directors of said Corporation to be advisable and having been duly and regularly assented to by the vote of two-thirds in interest of the stockholders having voting powers at a meeting duly

139

41

Exhibit

called by the Board of Directors for that purpose.

IN WITNESS WHEREOF, said Corporation has made this Certificate under its seal and the hands of its President and Secretary the 28th day of April, A.D. Nineteen hundred and forty-seven.

George H. Blake
(George H. Blake)
President

William H. Feller
(William H. Feller)
Secretary

ATTEST:

William H. Feller
(William H. Feller)
Secretary.

AZ

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

CERTIFICATE OF AMENDMENT
OF

~~CERTIFICATE OF~~

CERTIFICATE OF
INCORPORATION OF
SOUTH JERSEY GAS COMPANY.

X 13409

Dated: April 22, 1952.

FILED AND RECORDED
APR 28 1952
[illegible]
SECRETARY OF STATE

Recorded in book
Page ..... of Corporations

COLE AND COLE
COUNSELLORS AT LAW
ATLANTIC CITY, N. J.

Exhibit

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION

OF

SOUTH JERSEY GAS COMPANY.

SOUTH JERSEY GAS COMPANY, a corporation existing under and by virtue of the Laws of the State of New Jersey and being a public utility corporation as defined by N.J.S. Title 48:2-13, by its President and Secretary DOES HEREBY CERTIFY:

I. That the principal office of the Company is at #2001 Atlantic Avenue, in Atlantic City, N. J. and that the agent therein in charge thereof and upon whom process against the Corporation may be served is William A. Gemmel.

II. That the Board of Directors of said Corporation, at a meeting duly convened and held on the 21st day of February, 1952, passed Resolutions declaring that the changes and amendments in the Certificate of Incorporation hereinafter set forth, are advisable, and calling a meeting of the stockholders to take action thereon.

III. That copies of said Resolutions of the Board of Directors is hereto appended.

IV. That thereafter, on the 22nd day of April, 1952, pursuant to such call of the Board of Directors, a meeting of the stockholders of the Company was held, at which meeting more than two-thirds in interest of each class of stockholders having voting powers were present in person or represented by proxy, and that more than two-thirds in interest of each class of stockholders having voting powers voted in favor of such changes and amendments, such changes and amendments being as follows:

The Certificate of Incorporation was amended by adding Article VII, reading as follows:

157

B'X

"ARTICLE VII. At all elections of the directors of this corporation each stockholder shall be entitled to as many votes as shall equal the number of his shares of stock, multiplied by the number of directors to be elected, and he may cast all of such votes for a single director, or may distribute them among the number to be voted for, or any two or more of them, as he may see fit."

The Certificate of Incorporation was further amended by adding Article VIII, reading as follows:

"ARTICLE VIII. No holder of shares of stock of any class of the corporation shall be entitled as of right to subscribe for, purchase, or receive any part of any new or additional issue of any class of stock of the corporation or any bonds, debentures, or other securities convertible into any such stock; provided, however, that the corporation shall not issue for cash any shares of common stock or securities convertible into common stock, in any manner other than by a public offering by competitive bidding or by an offering to or through underwriters or investment bankers who shall have agreed to make a public offering thereof promptly, without first offering the same to the holders of common stock then outstanding."

V. That at said meeting of the stockholders the foregoing amendments were assented to in writing by more than two-thirds in interest of each class of the stockholders having voting powers, which said written assent is hereto appended.

VI. That 550,319 shares of common capital stock of said Corporation are issued and outstanding.

IN WITNESS WHEREOF, the said South Jersey Gas Company has caused this Certificate to be signed by its President and its Secretary, and its corporate seal to be hereto affixed this 22nd day of April, 1952.

SOUTH JERSEY GAS COMPANY
By Earl Smith
Earl Smith, President

Attest:
William A. Gemmel
William A. Gemmel, Secretary.

158

82-K

Exhibit J

STATE OF NEW JERSEY)
SS
COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 22nd day of April, 1952, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared William A. Gemmel, Secretary of South Jersey Gas Company, the public utility corporation mentioned in and which executed the foregoing certificate, who, being by me duly sworn on his oath says, that he is such secretary and that the seal affixed to the said Certificate is the corporate seal of said corporation, the same being well known to him; that Earl Smith is President and signed said Certificate and affixed said seal thereto and delivered said Certificate by authority of the Board of Directors and with the assent of two-thirds in interest of each class of stockholders having voting powers, and and for his voluntary act and deed and the voluntary act and deed of said corporation in the presence of deponent who thereupon subscribed his name thereto as witness.

And he further says that the resolutions of the Board of Directors referred to in the said Certificate, true copies of which are appended to said Certificate, were adopted at a meeting of said Board of Directors duly convened and held on the 21st day of February, 1952.

And he further says that the written assent of stockholders appended to the foregoing Certificate is signed by more than two-thirds in interest of each class of stockholders having voting powers, either in person or by their severally constituted attorneys-in-fact thereunto duly authorized in writing.

Sworn and subscribed to the day and year aforesaid)

Theresa W. Sgoth
Theresa W. Sgoth
Notary Public of New Jersey

William A. Gemmel
William A. Gemmel

159

3

83X

Exhibit

RESOLVED, that it is advisable to amend the Certificate of Incorporation by adding Article VII, reading as follows:

ARTICLE VII. At all elections of the directors of this corporation each stockholder shall be entitled to as many votes as shall equal the number of his shares of stock, multiplied by the number of directors to be elected, and he may cast all of such votes for a single director, or may distribute them among the number to be voted for, or any two or more of them, as he may see fit.

RESOLVED, that it is advisable to amend the Certificate of Incorporation by adding Article VIII, reading as follows:

ARTICLE VIII. No holder of shares of stock of any class of the corporation shall be entitled as of right to subscribe for, purchase, or receive any part of any new or additional issue of any class of stock of the corporation or any bonds, debentures, or other securities convertible into any such stock; provided, however, that the corporation shall not issue for cash any shares of common stock or securities convertible into common stock, in any manner other than by a public offering by competitive bidding or by an offering to or through underwriters or investment bankers who shall have agreed to make a public offering thereof promptly, without first offering the same to the holders of common stock then outstanding.

BE IT FURTHER RESOLVED that a meeting of the stockholders to take action upon the foregoing Resolutions be called to be held at the principal office of the Company at #2001 Atlantic Avenue, in Atlantic City, N. J. on the 22nd day of April, 1952, at 12 o'clock noon.

160

B4K

Exhibit J

changes and amendments.

Witness our hands this 22nd day of April, A.D. 1952.

NAMES	NUMBER OF SHARES
Meredith L. Abbott Meredith L. Abbott	1117
Paul L. Aiken Paul L. Aiken	1203
J. Howard Buzby J. Howard Buzby	50
Albert W. Conover Albert W. Conover	3300
Park W. Haverstick Park W. Haverstick	450
E. Carey Kennedy E. Carey Kennedy	1
Earl J. Menerey Earl J. Menerey	1000
Harry T. Sickler Harry T. Sickler	251
Earl Smith Earl Smith	328
Maurice Y. Cole Maurice Y. Cole	103
The United Corporation By E. Carey Kennedy E. Carey Kennedy Vice-Pres.	154231
For Resolution No. 1	281816
Earl Smith Earl Smith For Resolution No. 2	281142
Vernon F. Stanton Vernon F. Stanton	
William A. Gemmel William A. Gemmel	

ATTORNEYS AND PROXIES FOR STOCKHOLDERS.

161

BS-X

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

X13409

FILED

JUL 7 - 1965

Robert M. Fahey

ACTING SECRETARY OF STATE

FILING FEE $2.020.00

RECORDING 22.00

CERTIFYING COPY 7.00

$2,049.00

A+$7.00 Cash

SOUTH JERSEY GAS COMPANY

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

SOUTH JERSEY GAS COMPANY, a corporation existing under and by virtue of the Laws of the State of New Jersey (hereinafter called the "Corporation") and being a public utility corporation as defined by Section 48:2-13 of the Revised Statutes of New Jersey, by its President and Secretary DOES HEREBY CERTIFY:

I. That the principal office of the Corporation is at 2001 Atlantic Avenue, in Atlantic City, New Jersey and that the agent therein in charge thereof and upon whom process against the Corporation may be served is E. S. Keepers, Jr.

II. That the Board of Directors of the Corporation, at a meeting duly convened and held on May 20, 1965, duly adopted a resolution declaring it advisable that the Certificate of Incorporation of the Corporation as heretofore amended be further amended to make the changes and amendments which are hereinafter set forth in Paragraph IV hereof, and providing that such changes and amendments be submitted to a vote of the stockholders of the Corporation at a special meeting of stockholders to be held on July 7, 1965 and calling such meeting of the stockholders to take action thereon.

III. That no other resolutions were adopted by the Board of Directors of the Corporation changing, altering or modifying the resolution adopted by the Board of Directors at the meeting thereof held May 20, 1965 which sets forth such changes and amendments to the Certificate of Incorporation of the Corporation.

IV. That thereafter, on July 7, 1965, pursuant to the call of the Board of Directors, a special meeting of the stockholders of the Corporation was held, at which meeting more than two-thirds in interest of each class of stockholders having voting power were present in person or represented by proxy, and that more than two-thirds in interest of each class of stockholders having voting power voted in favor of the changes and amendments hereinafter set forth:

The Certificate of Incorporation, as amended, is hereby further amended by striking out in its entirety paragraph 1 of ARTICLE V of the Certificate of Incorporation, as amended, and substituting the following in lieu thereof:

ARTICLE V

The authorized capital stock of the Corporation is four million one hundred thousand (4,100,000) shares, of which one hundred thousand (100,000) shares are Cumulative Preferred Stock of the par value of one hundred dollars ($100) per share (hereinafter called "Preferred Stock"), and four million shares (4,000,000) are Common Stock of the par value of two dollars and fifty cents ($2.50) per share. One million three hundred two thousand sixteen (1,302,016) shares of such Common Stock heretofore issued are presently outstanding. The remaining shares of said Common Stock may be issued by the Corporation from time to time and for such consideration or purpose as may be from time to time determined upon and fixed by the Board of Directors, as provided by law.

The designations, preferences, relative, participating, optional and other special rights, qualifications, limitations and restrictions of the shares of the capital stock of this Corporation shall be as follows or as determined in accordance with the following provisions:

Division A—The Preferred Stock

Section 1. Issue in Series.

(A) The Corporation may, by resolution of its Board of Directors at any time or from time to time, within the then total authorized amount of the Preferred Stock, create and issue one or more series of the Preferred Stock and fix the designations, descriptions and terms of any such series in the respects in which the shares thereof may vary from the shares of other series of the Preferred Stock as hereinafter provided, fix the authorized amount of any series and increase or decrease such authorized amount from time to time, and establish or re-establish any unissued shares of the Preferred Stock as shares of any series or as authorized Preferred Stock which is not part of an existing series.

(B) The shares of the Preferred Stock may be divided into and issued in series, from time to time, as herein provided, each of such series to be distinctively designated. All shares of the Preferred Stock of all series shall be of equal rank and all shares of any particular series of the Preferred Stock shall be identical except as to the date or dates from which dividends thereon shall be cumulative as provided in Section 2 of this Division A. The shares of the Preferred Stock of different series, subject to any applicable provision of law, may vary as to the following terms, which shall be fixed in the case of each series, at any time prior to the issuance of the shares thereof, in the resolutions of the Board of Directors providing for the creation of such series:

(i) The annual dividend rate (within such limits as shall be permitted by law) for the particular series and the date from which dividends shall be initially cumulative on all shares of such series;

(ii) The terms, including the redemption price or prices, on which the particular series may be redeemed;

(iii) The amount or amounts per share for the particular series payable to the holders thereof upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs

of the Corporation, which may be different for voluntary and involuntary liquidation, dissolution or winding up;

(iv) The terms and amount of the sinking fund or purchase fund, if any, provided for the redemption or purchase of shares of the particular series; and

(v) The terms and conditions, if any, upon which the holders of any shares of a particular series may convert such shares into capital stock of the Corporation of any other class or classes or of any one or more series of the same class or of another class or classes.

Section 2. Dividends and Restrictions Thereon.

(A) The holders of each series of the Preferred Stock at the time outstanding shall be entitled to receive, but only when and as declared by the Board of Directors, out of funds legally available for the payment of dividends, cumulative preferential dividends, at the annual dividend rate for the particular series fixed therefor, and no more, as herein provided, payable quarterly on the first days of January, April, July and October in each year, to stockholders of record on the respective dates, not exceeding forty (40) days preceding such dividend payment dates, fixed for the purpose by the Board of Directors. No dividends shall be declared on any series of the Preferred Stock in respect of any quarterly dividend period unless there shall likewise be declared on all shares of all series of Preferred Stock at the time outstanding, like proportionate dividends, ratably, in proportion to the respective annual dividend rates fixed therefor, in respect of the same quarterly dividend period, to the extent that such shares are entitled to receive dividends for such quarterly dividend period. The term "quarterly dividend period" shall mean the quarterly period immediately preceding the first days of January, April, July and October, respectively, in each year. Dividends on the shares of Preferred Stock of any series initially issued shall be cumulative from and including a date fixed for such series at the time of the initial establishment or designation of such series and, on any additional shares of the same series, from and including the first day of the quarterly dividend period in which such additional shares shall be issued.

(B) If any dividends are declared or paid on the Preferred Stock in an amount less than the full cumulative dividends accrued or in arrears on all shares of Preferred Stock of all series outstanding, such amount shall be divided between the different series in proportion to the aggregate amounts which would be distributed to the Preferred Stock of each series if full cumulative dividends were declared and paid thereon. The amount of any deficiency for past dividend periods may be paid or declared and set apart at any time without reference to any quarterly dividend payment date. No accumulation of unpaid dividends on the Preferred Stock shall bear interest.

(C) Dividends remaining unclaimed by the holders of shares of Preferred Stock for four and one-half (4½) years after having been declared and made available for payment to such holders of Preferred Stock shall revert to this Corporation for its general corporate purposes and the obligation of this Corporation to pay such dividends shall at that time cease and determine.

(D) So long as any shares of the Preferred Stock shall be outstanding, this Corporation shall not declare or pay any dividends on any shares of Common Stock or on any other class of stock ranking junior as to dividends to the Preferred Stock (other than dividends payable in stock ranking junior, as to dividends and assets in liquidation, to the Preferred Stock), or make any other distribution on any shares of such junior stock or make any expenditures for the purchase, redemption or other retirement for a consideration of shares of this Corporation's stock of any class ranking junior as to assets in liquidation to the Preferred Stock (other than in exchange for, or from the proceeds of any substantially concurrent sale made of, other shares of stock of this Corporation ranking junior to the Preferred Stock as to dividends and assets in liquidation), unless accrued dividends on all shares of the Preferred Stock for all past quarterly dividend periods shall have been paid or declared and a sum sufficient for the payment thereof set apart and the full dividend for the then current quarterly dividend period shall have been or concurrently shall be paid or declared and a sum sufficient for the payment thereof set apart.

(E) So long as any shares of the Preferred Stock shall be outstanding, this Corporation shall not declare or pay any dividends on

199

any shares of Common Stock or any other class ranking junior as to dividends to the Preferred Stock (other than dividends payable in shares ranking junior, as to dividends and assets in liquidation, to the Preferred Stock) or make any other distribution on any shares of such junior stock, or make any expenditures for the purchase, redemption or other retirement for a consideration of shares of this Corporation's stock of any class ranking junior as to assets in liquidation to the Preferred Stock (other than in exchange for, or from the proceeds of any substantially concurrent sale made of, other shares of stock of this Corporation ranking junior to the Preferred Stock as to dividends and assets in liquidation), if the aggregate amount of all such dividends, distributions and expenditures paid or made by this Corporation after December 31, 1964, would exceed the aggregate amount of this Corporation's net income available for dividends on junior stock accumulated after December 31, 1964, by this Corporation plus the sum of $1,000,000.

Section 3. Redemption and Repurchase of Preferred Stock.

(A) The Corporation may, at its option, expressed by resolution of its Board of Directors, at any time or from time to time, redeem the whole or any part of any series of the Preferred Stock which by its terms shall be redeemable at the redemption prices fixed for such series. Notice of any proposed redemption of Preferred Stock shall be given by this Corporation by mailing a copy of such notice, at least thirty (30) days but not more than ninety (90) days prior to the date fixed for such redemption, to holders of record of the Preferred Stock to be redeemed at their respective addresses then appearing on the books of the Corporation. Any such redemption of shares of Preferred Stock shall be in such amount, at such place and by such method, whether by lot or pro rata, as shall from time to time be determined by resolution of the Board of Directors. On or after the date specified in such notice, each holder of shares of Preferred Stock called for redemption shall be entitled to receive, upon presentation and surrender at the place designated in such notice of the certificates for such shares of Preferred Stock held by him, the redemption price thereof. Such certificates shall, if required by the Corporation, be properly endorsed in blank for transfer or accompanied by proper

instruments of assignment or transfer in blank, and bear all necessary stock transfer tax stamps thereto affixed and cancelled.

(B) On and after the date fixed for redemption, if notice is given as aforesaid, unless default is made by this Corporation in providing funds sufficient for such redemption at the time and place specified for the payment thereof pursuant to such notice, all dividends on the shares called for redemption shall cease to accrue; and on and after such redemption date, unless default be made as aforesaid, or on and after the date of earlier deposit by this Corporation, in trust for the benefit of the holders of the shares of Preferred Stock so called for redemption, of all funds necessary for such redemption with a bank or trust company doing business in Atlantic City, New Jersey or New York City, New York and having, according to its last published statement, capital, surplus and undivided profits aggregating at least $3,000,000 (provided, in the latter case, that such notice of redemption shall have been mailed to the holders of record of the shares of Preferred Stock to be redeemed or that the Corporation shall have executed and delivered to the bank or trust company with which such deposit of funds is made an instrument irrevocably authorizing it to mail such notice at this Corporation's expense), all rights of the holders of the shares of Preferred Stock so called for redemption as stockholders of this Corporation, except only the right to receive when due the redemption funds to which they are entitled without interest, shall cease and determine.

(C) Any funds deposited with a bank or trust company for the redemption of shares of Preferred Stock, which shall remain unclaimed by the holders of such Preferred Stock at the end of four and one half (4½) years after the redemption date shall be paid over by such bank or trust company to this Corporation and thereby revert to the general funds of this Corporation, to be used by it for its general corporate purposes, and thereafter such holders shall have no claim against such bank or trust company or this Corporation therefor. Any interest which shall have been allowed by such bank or trust company on any funds deposited with a bank or trust company for the redemption of shares of Preferred Stock shall belong to this Corporation and shall be paid to it from time to time.

201

(D) Except as otherwise herein provided, the Corporation may also from time to time purchase shares of Preferred Stock of any series for any sinking or purchase fund or otherwise at not exceeding the then applicable current redemption prices for such series, including accrued dividends thereon to the date of purchase, plus customary brokerage commissions.

(E) If and so long as there are dividends in arrears on any shares of Preferred Stock of any series or a default exists in any sinking or purchase fund obligation provided for the benefit of any series of Preferred Stock, the Corporation shall not redeem any shares of any series of Preferred Stock, unless in connection therewith all of the then outstanding Preferred Stock of all series is redeemed, or purchase any shares of any series of Preferred Stock unless an offer to purchase all of the then outstanding shares of Preferred Stock of all series is made to all of the holders thereof at the same percentage of the then applicable current redemption prices for each such series.

(F) All or any shares of Preferred Stock at any time redeemed, purchased or acquired by the Company may thereafter, in the discretion of the Board of Directors, be reissued or otherwise disposed of at any time or from time to time to the extent and in the manner permitted by law, subject, however, to the limitations herein contained, or imposed by action of the Board of Directors creating any series, upon the issue or reissue of shares of such series of Preferred Stock.

Section 4. Liquidation Rights.

Before any amount shall be paid to, or any assets distributed among, the holders of the Common Stock or of any other stock of the Corporation ranking junior as to dividends or assets to the Preferred Stock upon any involuntary liquidation, dissolution or winding up of the Corporation, and after paying or providing for the payment of all creditors of the Corporation, the holders of all shares of each series of the Preferred Stock at the time outstanding shall be entitled to receive, for each share of each series thereof, the par value thereof together with accrued dividends, or, if such liquidation, dissolution or winding up shall have been voluntary, an amount per share equal to the then applicable current redemption price fixed for such series, including accrued dividends. No payments on account of such dis-

tributive amounts shall be made to the holders of shares of any series of the Preferred Stock unless there shall likewise be paid at the same time to the holders of shares of each other series of the Preferred Stock at the time outstanding like proportionate distributive amounts ratably, in proportion to the full distributive amounts to which they are respectively entitled as herein provided. If the assets of the Corporation available for distribution to holders of Preferred Stock shall not be sufficient to make the full payment herein required, such assets shall be distributed to the holders of the shares of the respective series of Preferred Stock then outstanding, ratably, in proportion to the amounts payable on each share thereof, including accrued dividends. The holders of the Preferred Stock of any series shall not be entitled to receive any amounts with respect thereto upon any liquidation, dissolution or winding up of the Corporation other than the amounts referred to in this Section. Neither the consolidation or merger of the Corporation with or into any other corporation or corporations, nor the sale, conveyance, exchange or transfer by the Company of all or any part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the Company for the purposes of this Section.

Section 5. Restrictions on Certain Corporate Action.

(A) So long as any shares of Preferred Stock of any series are outstanding, the Corporation shall not, without the consent (given in writing or by vote at a meeting duly called and held for that purpose in the manner prescribed by the By-laws of the Corporation) of the holders of record of at least two-thirds in interest of the shares of Preferred Stock then outstanding (any consent so given to be binding upon subsequent holders of shares of Preferred Stock, whether theretofore or thereafter issued):

(i) create or authorize or increase the authorized amount of any shares of any class of stock ranking prior to the Preferred Stock as to dividends or as to assets in liquidation, or create or authorize or increase the authorized amount of any security convertible into, or evidencing the right to purchase, shares of stock ranking prior to the Preferred Stock; or

(ii) amend, alter, change or repeal any of the express terms of the Preferred Stock or of any series of Preferred Stock then outstanding in a manner prejudicial to the holders thereof, provided, however, that if any such amendment, alteration, change or repeal would be prejudicial to the holders of shares of one or more, but not all, of the series of Preferred Stock at the time outstanding, such consent shall be required only from the holders of record of two-thirds in interest of the outstanding shares of any such series so affected; or

(iii) sell, lease, transfer, convey or otherwise dispose of all or substantially all of the property or business of the Corporation, unless such sale, lease, transfer, conveyance or other disposition shall have been required by order of a regulatory authority having jurisdiction in the premises, provided, however, that no consent of the holders of Preferred Stock shall be required under this provision in connection with the creation of, or amendment to, any mortgage or other encumbrance securing indebtedness upon any or all of the property of this Corporation; or

(iv) merge or consolidate with or into any other corporation or corporations, unless such merger or consolidation, or the issuance and assumption of all securities to be issued or assumed in connection with any such merger or consolidation, shall have been ordered, approved, authorized or permitted by a regulatory authority having jurisdiction in the premises, provided, however, that no such consent of the holders of Preferred Stock shall be required in connection with the purchase or other acquisition by this Corporation of franchises or assets of another corporation in any manner which does not involve a merger or consolidation or in connection with the merger into this Corporation of another corporation, all of the stock and other securities of which are at the time owned by this Corporation.

(B) So long as any shares of Preferred Stock of any series are outstanding, the Corporation shall not, without the consent (given in writing or by vote at a meeting duly called and held for that purpose in the manner prescribed by the by-laws of the Corporation) of the holders of record of at least a majority in interest of the shares of Preferred Stock then outstanding (any consent so given to be bind-

ing upon subsequent holders of shares of Preferred Stock, whether theretofore or thereafter issued):

(i) increase the total authorized amount of Preferred Stock or create or authorize or increase the authorized amount of any shares of any class of stock ranking on a parity with the Preferred Stock as to dividends or as to assets in liquidation, or create or authorize or increase the authorized amount of any security convertible into, or evidencing the right to purchase, shares of any such parity stock; or

(ii) reclassify into Preferred Stock, or into a class ranking on a parity with the Preferred Stock as to dividends or assets in liquidation, any shares of any class of stock ranking junior as to dividends or assets to the Preferred Stock; or

(iii) issue any shares of the Preferred Stock or issue any stock of any class ranking as to dividends or as to assets in liquidation on a parity with the Preferred Stock or dispose of any shares of Preferred Stock or of such parity stock previously reacquired, unless

(a) the net income available for dividends on Preferred Stock, as defined herein, for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the calendar month within which such additional shares of stock are to be issued or disposed of, shall have been at least two and one-half (2½) times the aggregate annual dividend requirements upon the entire amount of Preferred Stock and any stocks of this Corporation of any class ranking as to dividends or assets in liquidation prior to or on a parity with the Preferred Stock to be outstanding after giving effect to the issuance or disposition of such additional shares,

(b) the gross income available for payment of interest charges, as defined herein, for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the calendar month within which such additional shares of stock are to be issued or disposed of, shall have been at least one and one-half (1½) times the sum of (1) th[illegible]regate annual interest charges on all indebtedness of this

Corporation to be outstanding after giving effect to the issuance or disposition of such additional shares, and (2) the aggregate annual dividend requirements upon the entire amount of Preferred Stock and any stocks of this Corporation of any class ranking as to dividends or assets in liquidation prior to or on a parity with the Preferred Stock to be outstanding after giving effect to the issuance or disposition of such additional shares, and

(c) the aggregate of the capital of this Corporation applicable to all stock ranking as to dividends and assets in liquidation junior to the Preferred Stock, plus capital surplus and earned surplus of this Corporation, including premiums on stock of this Corporation of any class, shall be not less than the aggregate amount payable upon involuntary liquidation, dissolution or winding up of this Corporation to the holders of shares of Preferred Stock and of stock ranking as to assets in liquidation prior to or on a parity with the Preferred Stock to be outstanding after giving effect to the issuance or disposition of such additional shares.

There shall be excluded from the foregoing computations (a) all indebtedness and all shares of stock which are to be retired in connection with the issuance or disposition of such additional shares and (b) interest charges on all indebtedness and dividend requirements on all shares of stock which are to be retired in connection with the issuance or disposition of such additional shares. The gross income of any property acquired by this Corporation during or after the period for which income is computed, or of any property which is to be acquired in connection with the issuance or disposition of any such additional shares, if capable of being separately determined or estimated, may be included on a pro forma basis in the foregoing computations; and the gross income of any property disposed of by this Corporation during or after the period for which income is computed, if capable of being separately determined or estimated, shall be excluded on a pro forma basis in the foregoing computations.

(C) No consent of the holders of the shares of any series of Preferred Stock shall be required in respect of any actions to be taken by this Corporation hereinabove set forth in paragraphs (A) or (B) of this Section if irrevocable provision is contemporaneously made for the

redemption or retirement of all shares of such series of Preferred Stock at the time outstanding, or if provision is made that the proposed action shall not be effective unless irrevocable provision is made for the prompt redemption or retirement of all shares of such series of Preferred Stock at the time outstanding or until all said shares shall have been purchased by the Corporation.

Section 6. Voting Rights of Preferred Stock.

(A) The holders of the Preferred Stock shall not be entitled to vote except

(i) as provided above in Section 5;

(ii) as may from time to time be mandatorily required by the laws of the State of New Jersey; and

(iii) if and whenever dividends payable on any of the Preferred Stock shall be in arrears in an amount equivalent to or exceeding four (4) full quarterly dividends, the holders of the shares of Preferred Stock voting separately as a class shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors (the holders of the Common Stock voting separately as a class being entitled to elect the remaining directors), provided, however, that when all arrears in dividends on the Preferred Stock and the current dividend thereon shall have been paid or declared and a sum sufficient for the payment thereof set apart, all voting rights given by this clause (iii) shall be divested from the Preferred Stock (subject, however, to being at any time or from time to time similarly revived and divested).

So long as the holders of Preferred Stock shall have the right to elect directors under the terms of the foregoing clause (iii), the number of directors constituting a full Board shall be an odd number fixed by the Board of Directors and stated in the notice of each meeting at which a full Board of Directors is to be elected.

(B) Whenever, under the provisions of clause (iii) of paragraph (A) above, the rights of holders of the Preferred Stock to elect directors shall accrue or shall terminate, a proper officer of this Corporation may, and within ten days after delivery to this Corporation at its principal

office in the State of New Jersey of a request or requests to such effect signed by the holders of at least ten percent (10%) in interest of the outstanding shares of any class of stock entitled to vote shall, call a special meeting in accordance with the by-laws of this Corporation of the holders of the class or classes of stock of this Corporation entitled to vote, to be held within forty (40) days from the delivery of such request, for the purpose of electing a full Board of Directors to serve until the next annual meeting and until their respective successors shall be elected and shall qualify; provided, however, that if the annual meeting of shareholders for the election of directors is to be held within sixty (60) days after the delivery of such request, the Board of Directors need not act thereon. If, at any meeting called as aforesaid or at any annual meeting of shareholders after accrual or termination of the right of holders of the Preferred Stock to elect directors as in clause (iii) of paragraph (A) above provided, any director shall not be re-elected, his term of office shall end upon the election and qualification of his successor, notwithstanding that the term for which such director was originally elected shall not at the time have expired.

(C) If, during any interval between annual meetings of shareholders for the election of directors while holders of the Preferred Stock shall be entitled to elect any director pursuant to clause (iii) of paragraph (A) above, the number of directors in office who have been elected by the holders of the Preferred Stock, or by the holders of the Common Stock, as the case may be, shall become less than the total number of directors subject to election by holders of shares of such class, whether by reason of the resignation, death, or removal of any director or directors, or an increase in the total number of directors, the vacancy or vacancies shall be filled (i) by the remaining directors or director, if any, then in office who either were or was elected by the votes of shares of such class or succeeded to a vacancy originally filled by the votes of shares of such class or (ii), if there is no such director remaining in office, at a special meeting of holders of shares of such class which shall be called by a proper officer of this Corporation to be held within forty (40) days after there shall have been delivered to this Corporation at its principal office in the State of New Jersey a request or requests signed by the holders of at least ten percent (10%) in interest of the outstanding shares of such class.

(D) Any director may be removed from office for cause, or without cause, by vote of the holders of a majority in interest of the shares of the class of stock which voted for his election (or for his predecessor in case such director was elected by directors). A special meeting of the holders of shares of any class may be called by a majority vote of the Board of Directors or by the President for the purpose of removing a director in accordance with the provisions of the preceding sentence, and shall be called within forty (40) days after there shall have been delivered to this Corporation at its principal office in the State of New Jersey a request or requests to such effect signed by the holders of at least ten percent (10%) in interest of the outstanding shares of the class entitled to vote with respect to the removal of such director.

(E) At all meetings of stockholders held for the purpose of electing directors during such time as the holders of the shares of the Preferred Stock shall have the special right, voting separately and as a class, to elect directors pursuant to clause (iii) of paragraph (A) above, the presence in person or by proxy of the holders of a majority in interest of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of the directors which they are entitled to elect, and the presence in person or by proxy of the holders of a majority in interest of the outstanding shares of the Preferred Stock shall be required to constitute a quorum of such class for the election of the directors which they are entitled to elect; provided, however, that the absence of a quorum of the holders of stock of either such class shall not prevent the election at any such meeting of directors by the other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and provided further that in the event such a quorum of the holders of the shares of the Common Stock is present but such a quorum of the holders of the shares of the Preferred Stock is not present then the election of the directors elected by the holders of the shares of the Common Stock shall not become effective and the directors so elected by the holders of the shares of the Common Stock shall not assume their offices and duties until the holders of the shares of the Preferred Stock, with such a quorum present, shall have elected the directors they shall be entitled to elect; and provided further, however, that in

the absence of a quorum of the holders of stock of either such class, a majority in interest of those holders of the stock of such class who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class from time to time without notice other than announcement at the meeting until the requisite amount of holders of such class shall be present in person or by proxy, but such adjournment shall not be made to a date beyond the date of the next annual meeting of the Corporation or a special meeting in lieu thereof.

(F) Whenever, under the provisions of the Certificate of Incorporation, the right of the holders of Preferred Stock to elect directors shall accrue and be exercised, the amount of all dividends on the Preferred Stock which shall be in arrears shall be paid out of any assets of this Corporation available therefor as soon as shall be reasonably practicable. Upon the termination of any such voting right entitling the holders of Preferred Stock to elect any director pursuant to clause (iii) of paragraph (A) above, upon the payment, or the declaration and setting apart for payment, of all dividends on the shares of the Preferred Stock in arrears, the terms of office of all persons who may have been elected directors of the Corporation by vote of the holders of the shares of the Preferred Stock, as a class, pursuant to such voting right shall forthwith terminate, and the resulting vacancies shall be filled by the vote of a majority of the remaining directors.

(G) Holders of Preferred Stock of any series and holders of stock of any other class shall not be entitled to receive notice of any meeting of holders of any class of stock at which they are not entitled to vote.

(H) Each holder of Preferred Stock, as to all matters in respect of which such stock has voting power, is entitled to one vote for each share of stock standing in his name.

Section 7. Pre-emptive Rights.

No holder of shares of any series of the Preferred Stock of the Corporation shall be entitled as of right to subscribe for, purchase, or receive any part of any new or additional issue of any stock of the Corporation of any class, series, or kind, whatsoever, or any bonds,

debentures or other securities convertible into any such stock, whether now or hereafter authorized, and whether issued for cash, property, services, by way of dividends, or otherwise.

Section 8. Definitions.

(A) The term "gross income available for payment of interest charges" shall mean the total operating revenues of this Corporation, less the total operating expenses, taxes (including income, excess profits and other taxes based on or measured by income or undistributed earnings or undistributed income), and other appropriate items, including provision for maintenance, and provision for retirements, depreciation or obsolescence, plus or minus, as the case may be, any net non-operating income or deductions, but excluding any charges on account of interest on debt or on account of debt discount and expense, all to be determined in accordance with sound accounting practice. In determining such "gross income available for payment of interest charges", no deduction or adjustment shall be made for or in respect of (1) profits or losses from the sale, abandonment or other disposition of property properly carried in the plant or investment accounts of this Corporation, or taxes paid on or in respect of any such profits, or (2) charges for the elimination or amortization of utility plant adjustment accounts or other intangibles.

(B) The term "net income available for dividends on Preferred Stock" shall mean the total operating revenues of this Corporation, less the total operating expenses, taxes (including income, excess profits and other taxes based on or measured by income or undistributed earnings or undistributed income), interest charges, dividend requirements on any stock ranking prior as to dividends or assets in liquidation to the Preferred Stock and other appropriate items, including provision for maintenance, and provision for retirements, depreciation or obsolescence, and including charges for amortization of debt discount and expense, plus or minus, as the case may be, any net non-operating income or deductions, all to be determined in accordance with sound accounting practice. In determining such "net income available for dividends on Preferred Stock", no deduction or adjustment shall be made for or in respect of (1) expenses in connection with the issuance, redemption or retirement of any securities of this Corporation, includ-

ing any amount paid in excess of the principal amount or par or stated value of securities redeemed or retired and, in the event that such redemption or retirement is effected with the proceeds of sale of other securities of this Corporation, interest or dividends on the securities redeemed or retired from the date on which the funds required for retirement are deposited in trust for such purpose to the date of redemption or retirement, (2) profits or losses from the sale, abandonment or other disposition of property properly carried in the plant or investment accounts of this Corporation, or taxes paid on or in respect of any such profits, (3) charges for the elimination or amortization of utility plant adjustment accounts or other intangibles, or (4) any earned surplus adjustment (including tax adjustments) applicable to any period prior to January 1, 1965.

(C) The term "net income available for dividends on junior stock" shall mean "net income available for dividends on Preferred Stock", as defined and determined above, less the sum of all dividends paid and all dividends accrued and unpaid on any outstanding Preferred Stock and any other class of stock ranking on a parity with the Preferred Stock as to dividends.

(D) The term "sound accounting practice" shall mean recognized principles of accounting practice followed by companies engaged in a business similar to that of this Corporation, provided that any applicable rules, regulations or orders of any public regulatory authority having jurisdiction over the accounts of this Corporation shall be controlling, except to the extent that this Corporation, at that time, shall be contesting in good faith the validity or applicability to this Corporation of any such rule, regulation or order.

(E) The term "accrued dividends" means, in respect of each share of the Preferred Stock, that amount which shall be equal to simple interest upon the par value thereof at the annual dividend rate thereon and no more from the date upon which cumulative dividends on such share commence to accrue to the date fixed for payment of any amount to be distributed in liquidation or upon redemption less the aggregate amount of all dividends theretofore paid or declared and set apart for payment thereon.

Division B—The Common Stock

Section 1. Dividends.

Out of any assets of this Corporation legally available for dividends remaining after full cumulative dividends upon any shares of Preferred Stock and of any other class of stock ranking as to dividends prior to the Common Stock of the Corporation then outstanding shall have been paid or declared and set apart for all past quarterly dividend periods and for the current quarterly dividend period, then and not otherwise, dividends may be paid upon the Common Stock to the exclusion of the Preferred Stock and any such other class of priority stock.

Section 2. Liquidation Rights.

In the event of any liquidation, dissolution or winding up of the Corporation, after there shall have been paid to or set aside for the holders of all series of Preferred Stock and of any other class of stock ranking prior as to assets to the Common Stock the full preferential amounts, including accrued dividends, to which they are respectively entitled, the holders of the Common Stock shall be entitled to receive, pro rata, all of the remaining assets of the Corporation available for distribution to its stockholders. The Board of Directors, by vote of a majority of the members thereof, may distribute in kind to the holders of the Common Stock such remaining assets of the Corporation or may sell, transfer, or otherwise dispose of all or any of the remaining property and assets of the Corporation to any other corporation and receive payment therefor wholly or partly in cash or in stock or in obligations of such corporation and may sell all or any part of the consideration received therefor or distribute the same or the balance thereof in kind to the holders of the Common Stock.

Section 3. Voting Rights.

Subject to the voting rights expressly conferred upon the Preferred Stock under Division A of this ARTICLE V and by law, the holders of the Common Stock shall possess exclusively full voting power for the election of directors and for all other purposes. At all elections of the directors of this Corporation each holder of shares of Common

Stock shall be entitled to as many votes as shall equal the number of his shares of Common Stock, multiplied by the number of directors to be elected by holders of Common Stock, and he may cast all of such votes for a single director, or may distribute them among the number to be voted for, or any two or more of them, as he may see fit. At any meeting of stockholders, at which any action is to be taken which requires the vote, assent or consent of the holders of record of two-thirds in interest of the outstanding shares of Common Stock, or which requires such assent or consent in writing to be filed, such action may be taken upon the vote, assent or consent of the holders of record of two-thirds in interest of the Common Stock present and voting at such meeting in person or by proxy; provided that not less than a majority in interest of the shares of Common Stock then outstanding shall be present and voting at such meeting.

Section 4. Pre-Emptive Rights.

No holder of shares of Common Stock of the Corporation shall be entitled as of right to subscribe for, purchase, or receive any part of any new or additional issue of any stock of the Corporation of any class, series, or kind, whatsoever, or any bonds, debentures, or other securities convertible into any such stock, whether now or hereafter authorized, and whether issued for cash, property, services, by way of dividends or otherwise; provided, however, that the Corporation shall not, without first offering the same to the holders of Common Stock then outstanding, issue for cash any shares of Common Stock or securities convertible into Common Stock unless (a) such shares of Common Stock or such convertible securities are securities offered publicly, or (b)

(1) the sum of (i) the aggregate number of shares of Common Stock then being issued for cash or issued for cash during the 24 calendar months next preceding such then current issuance plus (ii) the maximum aggregate number of shares of Common Stock issued or issuable upon conversion of any convertible securities then being issued for cash or issued for cash during the 24 calendar months next preceding such then current issuance (excluding for purpose of this subparagraph (1) securities offered publicly)

would not exceed five percent (5%) of

(2) the sum of (iii) the aggregate number of shares of Common Stock to be outstanding immediately after the issuance of the Common Stock or convertible securities then being issued for cash, plus (iv) the maximum aggregate number of shares of Common Stock issuable upon conversion of all convertible securities to be outstanding immediately after such then current issuance.

The term "securities offered publicly", as used in this Section 4, shall mean shares of Common Stock, or securities (including bonds and debentures) convertible into Common Stock, which are sold by a public offering through competitive bidding or by an offering to or through underwriters or investment bankers who shall have agreed promptly to make a public offering thereof.

The Certificate of Incorporation, as amended, is hereby further amended by renumbering and redesignating paragraph 2 of ARTICLE V of the Certificate of Incorporation, as amended, as

"ARTICLE V-A"

otherwise such paragraph, as herein renumbered and redesignated, to remain in full force and effect without any change.

The Certificate of Incorporation, as amended, is hereby further amended by eliminating therefrom ARTICLE VII and ARTICLE VIII.

IN WITNESS WHEREOF, the said South Jersey Gas Company has caused this certificate to be signed by its President and its Secretary, and its corporate seal to be hereto affixed this 7th day of July, 1965.

SOUTH JERSEY GAS COMPANY

[CORPORATE SEAL]

By .....

W. A. Gemmel, *President*

Attest:

.....

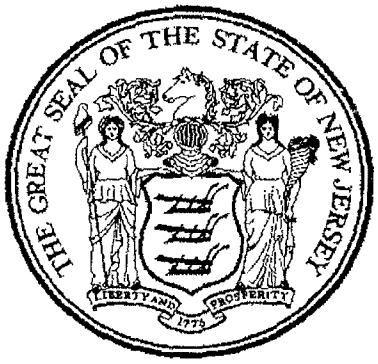
E. S. Keepers, Jr., *Secretary*

Exhibit J

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the
Certificate of Amendment
as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

X-13409

FILED
JUL 8 - 1965
Frederick W. Postel
ACTING SECRETARY OF STATE

FILING FEE
RECORDING
CERTIFYING COPY

SOUTH JERSEY GAS COMPANY

CERTIFICATE SETTING FORTH THE DESIGNATION, DESCRIPTION AND TERMS OF CUMULATIVE PREFERRED STOCK, SERIES A.

Pursuant to the Provisions of Section 14:8-2 of the Revised Statutes of the State of New Jersey

SOUTH JERSEY GAS COMPANY, a corporation organized and existing under the laws of the State of New Jersey (hereinafter called the "Corporation") and being a public utility corporation as defined by Section 48:2-13 of the Revised Statutes of New Jersey by its President and Secretary DOES HEREBY CERTIFY that:

The Board of Directors of the Corporation, pursuant to authority expressly vested in it by the provisions of the Certificate of Incorporation, as amended, has, at a meeting of said Board, duly convened and held on the 7th day of July, 1965, at which meeting a quorum for the transaction of business was present and acting throughout, duly adopted the following resolutions:

RESOLVED, that pursuant to the authority expressly vested in the Board of Directors of this Corporation by the Certificate of Incorporation, as amended, the Board of Directors does hereby establish a series of the Cumulative Preferred Stock, $100 par value, of the Corporation consisting of 30,000 shares of the presently authorized shares of Cumulative Preferred Stock, which shall be designated as "Cumulative Preferred Stock, Series A" (hereinafter called the "Series A Preferred Stock"); and

FURTHER RESOLVED, that the designation, description and terms for the Series A Preferred Stock in respect of which the shares of such series may vary from shares of other series of Cumulative Preferred Stock shall be as follows:

(a) *Dividends.* The annual dividend rate for such series shall be 4.70% per annum; and the date from which such div-

idends shall be cumulative shall be the date of original issue of such shares.

(b) *Redemption.* The redemption prices for Series A Preferred Stock shall be as follows:

If redeemed on or before January 1, 1975—$104.70 per share; if redeemed thereafter and on or before January 1, 1980—$102.85 per share; if redeemed thereafter, $101.50 per share; together with, in each case, an amount equal to dividends (whether or not earned or declared) accrued and unpaid to the date of redemption. The shares of Series A Preferred Stock shall not be redeemable prior to January 1, 1970, directly or indirectly, as part of, out of the proceeds of, or in anticipation of, the incurring of debt or the issuance of shares of Cumulative Preferred Stock or other stock ranking prior thereto or on a parity therewith if such debt has an interest rate or cost to the Corporation or such shares have a dividend rate or cost to the Corporation, calculated in accordance with generally accepted financial practice, of less than 4.70% per annum.

In the event the Corporation shall elect to redeem less than all of the outstanding shares of Series A Preferred Stock, the particular shares to be redeemed shall be selected in the following manner:

(i) The Corporation shall first allocate the number of shares to be redeemed between (1) all shares then held by Original Holders (as hereinafter defined) and (2) all shares then held by persons other than Original Holders, in proportion, as nearly as may be, to the aggregate number of shares held by said Original Holders and the aggregate number of shares held by said other persons.

(ii) The Corporation shall then designate for redemption (1) on a pro rata basis among all Original Holders, on the basis of the proportion which the number of shares of Series A Preferred Stock initially issued to each Original Holder bears to the aggregate number of shares of Series A Preferred Stock initially issued by the Corporation, the aggregate number of shares allocated to the Original Holders pursuant to (i) above

and (2) in such manner as the Board of Directors may determine, whether by lot or otherwise, shares held by persons other than Original Holders in an aggregate amount equal to the number of shares allocated to the aggregate number of shares held by such persons pursuant to (i) above. Fractional shares resulting from such method of selection may be disregarded or adjusted to the nearest whole share at the discretion of the Corporation.

(c) *Liquidation.* The amounts payable on the shares of Series A Preferred Stock in the event of any liquidation, dissolution or winding up of the Corporation shall be as to any such share (i) in the event of voluntary liquidation, dissolution or winding up, the current redemption price; and (ii) in the event of involuntary liquidation, dissolution or winding up, the sum of $100; together with in each case an amount equal to dividends (whether or not earned or declared) accrued and unpaid thereon.

(d) *Purchase Fund.* So long as any of the shares of Series A Preferred Stock created by these resolutions shall be outstanding, as and for a Purchase Fund for the retirement of shares of such series, the Corporation shall, except as hereinafter provided, between May 1 and May 10 in each year commencing 1968, offer to purchase on the next ensuing June 15th, 900 shares of such Series A Preferred Stock at the par value thereof together with accrued dividends to the date of purchase. Such offer shall state that it is made pursuant to the Purchase Fund for the retirement of Series A Preferred Stock and shall contain a brief summary of the terms upon which tenders will be accepted, as herein provided, including a statement that all tenders of shares for sale in response to the offer may be accepted in part, as herein provided. Tenders pursuant to any such offer must be made in a writing received by the Corporation at least five business days before the next ensuing June 15th. The Corporation may require, and in such event the notice of the Corporation's offer to purchase shares shall so specify, that all tenders of shares of Series A Preferred Stock shall be accompanied by the certificates for the shares tendered, together with evidence, satisfactory to the Corporation, of the right of the holders thereof to sell the same to the Corporation.

If the aggregate number of shares of Series A Preferred Stock tendered for sale in any year equals or exceeds 900 shares, the Corporation shall allocate its purchases among the holders of the shares so tendered as nearly as possible on a pro rata basis, on the basis of the total number of shares of Series A Preferred Stock owned of record at the close of business on the previous June 1 by the several shareholders tendering shares; provided, however, that so long as an Original Holder of Series A Preferred Stock shall hold all of the shares of such Series A Preferred Stock initially issued to such Original Holder (other than shares which have theretofore been redeemed by the Corporation or purchased by the Corporation pursuant to the Purchase Fund) the number of shares of Series A Preferred Stock to be allocated by the Corporation to such Original Holder in any year shall be that number of shares which bears the same ratio to 900 as the number of shares initially issued to such Original Holder bears to 30,000. If, by reason of the allocation of purchases among Original Holders and other holders of Series A Preferred Stock on the foregoing basis, the number of shares to be purchased by the Corporation would not equal 900, the balance of the purchases by the Corporation shall be allocated among all of the several holders tendering shares, including Original Holders, on the basis of their actual holdings as of such June 1.

If the aggregate number of shares tendered for sale as aforesaid in any year is less than 900 shares, the Corporation's obligation in respect of such Purchase Fund for such year shall be discharged by the purchase of the shares tendered, and the fact that the remainder of the 900 shares are not tendered or purchased shall not increase the number of shares of Series A Preferred Stock to be purchased in subsequent years.

The Corporation shall not make any offer to purchase shares of Series A Preferred Stock pursuant to the Purchase Fund at any time when dividends are in arrears on any shares of Cumulative Preferred Stock. If in any year the full purchase obligation of the Corporation shall not have been satisfied by the making and carrying out of a purchase offer, any deficiency in the satisfaction of the Corporation's obligations under the Pur-

chase Fund shall be made good, in the manner hereinafter in this paragraph set forth, before any dividends shall be paid on, or declared and set apart for, any shares of Common Stock of the Corporation or any shares of any class of stock ranking junior to the Cumulative Preferred Stock or before any sums shall be applied to the purchase, redemption or other retirement of the Common Stock or any shares of any class of stock ranking junior to the Cumulative Preferred Stock. The obligation of the Corporation to offer to purchase 900 shares of Series A Preferred Stock in each year shall be cumulative, and, if the Corporation shall not offer to purchase such 900 shares of Series A Preferred Stock in any year by reason of an arrearage of dividends, it shall make a special purchase offer to purchase such shares promptly after all dividends on shares shall have been paid, or declared and funds sufficient for the payment thereof set apart. Such special purchase offer shall state that the Corporation will purchase such shares on a date forty-five days after the date of such special purchase offer at the par value thereof, plus accrued dividends thereon to the date of purchase, and shall otherwise be upon the same terms and conditions and shall contain the same statements hereinabove in this paragraph (d) provided in respect of other offers made pursuant to the Purchase Fund.

(e) *Conversion Privileges.* Shares of the Series A Preferred Stock shall not be convertible into capital stock of the Corporation of any other class or classes or of any one or more series of the same class or of another class or classes.

(f) *Cancellation of Shares.* All shares of Series A Preferred Stock at any time redeemed pursuant to paragraph (b) hereof or purchased by the Corporation pursuant to the Purchase Fund as set forth in paragraph (d) hereof shall forthwith be retired and cancelled, and may not be reissued.

(g) *Definition of Original Holder.* For the purposes of paragraphs (b) and (d) hereof, the term "Original Holder" shall mean each person in whose name shares of Series A Preferred Stock shall have been initially registered on the original issuance

320

thereof and shall have remained so registered (registration or re-registration in the name of a nominee being deemed registration in the name of such nominee's principal and certificates representing shares of Series A Preferred Stock issued in exchange for other certificates for shares of Series A Preferred Stock and registered in the same or a nominee's name being deemed shares of Series A Preferred Stock which shall have remained registered in the name of the Original Holder thereof).

IN WITNESS WHEREOF, South Jersey Gas Company has caused this Certificate to be signed on its behalf by its President and its corporate seal to be affixed and attested by its Secretary this 7th day of July, 1965.

SOUTH JERSEY GAS COMPANY

[CORPORATE SEAL]

By .....
President

ATTEST:

.....
Secretary

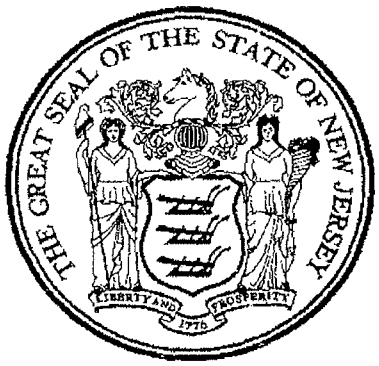
223

Exhibit J

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

X13409

SOUTH JERSEY GAS COMPANY

CERTIFICATE

OF

CANCELLATION OF SHARES

DATED: August 13, 1968

COLE, KOURY, COLE & TIGHE
COUNSELLORS AT LAW
ATLANTIC CITY, NEW JERSEY
GUARANTEE TRUST BUILDING

Attorneys for
South Jersey Gas Company

FILED AND RECORDED
AUG 15 1968
Richard J. Burkhardt
SECRETARY OF STATE

FILING FEE	#40.00
REPORTS	
RECORDING	2.00
CERTIFYING COPY	1.00
SEC. OF STATE	
	#44.00

502

111-2950

Exhibit

Reduction from Alexander Ridge

SOUTH JERSEY GAS COMPANY

CERTIFICATE

OF

CANCELLATION OF SHARES

E. S. Keepers, Jr. 2001 Atlantic Ave., Atlantic City, New Jersey 08401

SOUTH JERSEY GAS COMPANY, a corporation existing under and by virtue of the Laws of the State of New Jersey (hereinafter called the "Corporation") and being a public utility corporation as defined by Section 48:2-13 of the Revised Statutes of New Jersey; and, pursuant to the provisions of Section 14:8-3 of the Revised Statutes of New Jersey, by its Vice President and Secretary DOES HEREBY CERTIFY:

1. The number of redeemable shares of the Corporation cancelled June 15, 1968, through purchase by the Corporation, is itemized as follows:

CLASS	SERIES	NUMBER OF SHARES
Cumulative Preferred Stock	Series A 4.70%	900

IN WITNESS WHEREOF, the said SOUTH JERSEY GAS COMPANY has caused this Certificate to be signed by its Vice President, its corporate seal to be affixed, duly attested by its Secretary, this 13th day of August, 1968.

SOUTH JERSEY GAS COMPANY

By

G. H. Harris, Vice President

ATTEST:

E.S. Keepers, Jr., Secretary

930

Exhibit J

The authorized capital stock of the Corporation is four million one hundred thousand (4,100,000) shares, of which one hundred thousand (100,000) shares are Cumulative Preferred Stock of the par value of one hundred dollars ($100) per share (hereinafter called "Preferred Stock"), and four million shares (4,000,000) are Common Stock of the par value of two dollars and fifty cents ($2.50) per share. One million three hundred two thousand sixteen (1,302,016) shares of such Common Stock heretofore issued are presently outstanding. The remaining shares of said Common Stock may be issued by the Corporation from time to time and for such consideration or purpose as may be from time to time determined upon and fixed by the Board of Directors, as provided by law.

The designations, preferences, relative, participating, optional and other special rights, qualifications, limitations and restrictions of the shares of the capital stock of this Corporation shall be as follows or as determined in accordance with the following provisions:

3 3 9

[illegible] Section 14:8-5 of the Revised Statutes of New Jersey, by its Vice President and Secretary DOES HEREBY CERTIFY:

1. The number of redeemable shares of the Corporation cancelled June 15, 1968, through purchase by the Corporation, is itemized as follows:

CLASS	SERIES	NUMBER OF SHARES
Cumulative Preferred Stock	Series A 4.70%	900

IN WITNESS WHEREOF, the said SOUTH JERSEY GAS COMPANY has caused this Certificate to be signed by its Vice President, its corporate seal to be affixed, duly attested by its Secretary, this 13th day of August, 1968.

SOUTH JERSEY GAS COMPANY

By

G. H. Harris, Vice President

ATTEST:

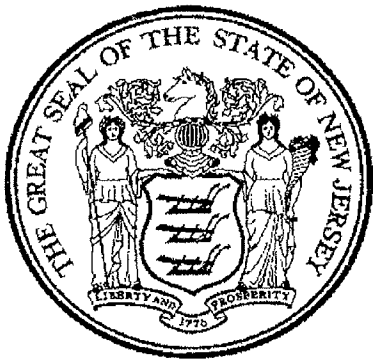
E.S. Keepers, Jr., Secretary

Exhibit J

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit I

X 13409

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

DATED: JULY 9, 1969.

COLE, KOURY, COLE & TIGHE
COUNSELLORS AT LAW
ATLANTIC CITY, NEW JERSEY

GUARANTEE TRUST BUILDING

Attorneys for
South Jersey Gas Company

FILED AND RECORDED
JUL 11 1969
Robert J. Burkhardt
SECRETARY OF STATE

LICENSE FEE	None
FILING FEE	$20.00
RECORDING	4.00
3-CERTIFYING COPY	15.00
SEC. OF STATE	
	$39.00

H 37678

533

Exhibit J

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 900 shares; itemized as follows:

Class	Series	No. of Shares
Cumulative Preferred Stock	A 4.70%	900

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 1,635,927; itemized as follows:

Class	Series	No. of Shares
Common Stock (Par value $2.50 per share)	-	1,607,727
Cumulative Preferred Stock	A 4.70%	28,200

4. The amount of the stated capital of the corporation after giving effect to such cancellation is $6,839,317.50; itemized as follows:

Class	Stated Capital
Common Stock	$4,019,317.50
Cumulative Preferred Stock	2,820,000.00

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,098,200 shares; itemized as follows:

Exhib

Class	Series	No. of Shares
Common Stock (Par value $2.50 per share)	-	4,000,000
Cumulative Preferred Stock	A 4.70%	98,200.

IN WITNESS WHEREOF, the said SOUTH JERSEY GAS COMPANY has caused this Certificate to be signed by its Vice President, its corporate seal to be affixed, duly attested by its Secretary, this 9th day of July, 1969.

SOUTH JERSEY GAS COMPANY

By

G. H. Harris

G. H. Harris, Vice President

ATTEST:

E. S. Keepers, Jr., Secretary

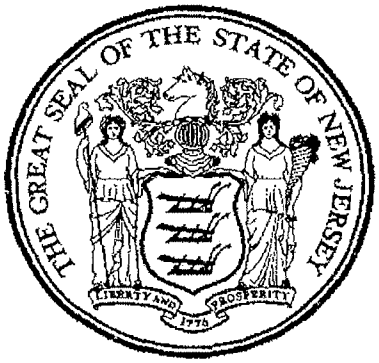
(Corporate Seal)

Exhibit J

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

X 13709

FILED AND RECORDED

FEB 26 1970 - 11 A.M. - E.S.T.

Paul Phillips

SECRETARY OF STATE

LICENSE FEE	none
FILING FEE	20.00
RECORDING	5.00
CERTIFYING COPY	
SEC. OF STATE	

#25.00

Deliver to: Saunders
1600 Three Penn Center Plaza
Phila Pa

53 2 of 2

CERTIFICATE OF AMENDMENT

TO THE

CERTIFICATE SETTING FORTH THE DESIGNATION, DESCRIPTION AND TERMS OF CUMULATIVE PREFERRED STOCK, SERIES A OF SOUTH JERSEY GAS COMPANY

To: The Secretary of State
Trenton, New Jersey

SOUTH JERSEY GAS COMPANY, a New Jersey corporation, by its President does hereby certify that:

1. The name of the Company is South Jersey Gas Company.

2. The location of its registered office is 2001 Atlantic Avenue, Atlantic City, New Jersey 08404.

3. At a meeting of the Board of Directors of the Company held November 20, 1969, the Directors unanimously approved the following resolution amending the Certificate Setting Forth the Designation, Description and Terms of the Company's Cumulative Preferred Stock, Series A:

> RESOLVED, That if the shareholders of the Company shall approve the proposed amendment to the Certificate of Incorporation hereinabove in these resolutions set forth* at such Special Meeting of Shareholders, or any adjournment thereof, the Certificate Setting Forth the Designation, Description and Terms of Cumulative Preferred Stock, Series A of South Jersey Gas Company shall thereupon be amended without further action by this Board of Directors by adding a new paragraph (h) entitled "Voting Rights" to read as follows:
>
> > "(h) Voting Rights. The holders of Series A Preferred Stock shall be entitled to vote share for share with the holders of the Common Stock in all matters requiring the vote of shareholders of the Corporation except as otherwise provided in Article V of the Corporation's Certificate of Incorporation as amended."

* Attached to this Certificate of Amendment as Exhibit A.

EXHIBIT A

AMENDMENT TO CERTIFICATE OF INCORPORATION

RESOLVED, That Article V of the Certificate of Incorporation of the Corporation shall be and is hereby amended by modifying paragraph (A) of Section 6 of Division A of said Article V entitled "Voting Rights of Preferred Stock" so that said Paragraph (A) shall hereafter read in full as follows:

"The holders of the Preferred Stock shall not be entitled to vote except

(i) as provided in a resolution of the Board of Directors, or in any amendment thereto, creating and issuing one or more series of the Preferred Stock;

(ii) as otherwise provided above in Section 5;

(iii) as to matters for which a class vote of the shareholders of the Corporation is required under the laws of the State of New Jersey; and

(iv) if and whenever dividends payable on any of the Preferred Stock shall be in arrears in an amount equivalent to or exceeding four (4) full quarterly dividends, the holders of the shares of Preferred Stock voting separately as a class shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors (the holders of the Common Stock voting separately as a class being entitled to elect the remaining directors), provided, however, that when all arrears in dividends on the Preferred Stock and the current dividend thereon shall have been paid or declared and a sum sufficient for the payment thereof set apart, all voting rights given by this clause (iv) shall be divested from the Preferred Stock (subject,

4. The effective time and date of this Amendment shall be upon the filing of a Certificate of Amendment to the Company's Certificate of Incorporation authorizing the Board of Directors to fix the voting rights of any series of the Company's Preferred Stock.

Dated this 18th day of February, 1970.

SOUTH JERSEY GAS COMPANY

By: William A. Gemmel
William A. Gemmel
President

Approved and filed with the Secretary of State on the day of February, 1970.

Secretary of State

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the
Certificate of Amendment
as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

X 13409

FILED AND RECORDED

FEB 26 1970 – 11 A.M. – E.S.T.

Paul J. Kiernan

SECRETARY OF STATE

LICENSE FEE	None
FILING FEE	20.00
RECORDING	4.00
CERTIFYING COPY	
SEC. OF STATE	#24.00

Filed by: Dechert, Price & Rhoads
1600 Three Penn Center Plaza
Phila Pa
m Saunders

CERTIFICATE OF AMENDMENT

TO THE

CERTIFICATE OF INCORPORATION OF

SOUTH JERSEY GAS COMPANY

To: The Secretary of State
Trenton, New Jersey

Pursuant to the provisions of Section 14A:9-2(4) and Section 14A:9-4(3), Corporations, General, of the New Jersey Statutes, the undersigned New Jersey corporation executes the following Certificate of Amendment to its Certificate of Incorporation.

1. The name of the corporation is South Jersey Gas Company.

2. The following amendment to the Certificate of Incorporation was approved by the Board of Directors and thereafter duly adopted by the shareholders of the Company:

> RESOLVED, That Article V of the Certificate of Incorporation of the Corporation shall be and is hereby amended by modifying paragraph (A) of Section 6 of Division A of said Article V entitled "Voting Rights of Preferred Stock" so that said Paragraph (A) shall hereafter read in full as follows:
>
> "The holders of the Preferred Stock shall not be entitled to vote except
>
> (i) as provided in a resolution of the Board of Directors, or in any amendment thereto, creating and issuing one or more series of the Preferred Stock;
>
> (ii) as otherwise provided above in Section 5;

(iii) as to matters for which a class vote of the shareholders of the Corporation is required under the laws of the State of New Jersey; and

(iv) if and whenever dividends payable on any of the Preferred Stock shall be in arrears in an amount equivalent to or exceeding four (4) full quarterly dividends, the holders of the shares of Preferred Stock voting separately as a class shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors (the holders of the Common Stock voting separately as a class being entitled to elect the remaining directors), provided, however, that when all arrears in dividends on the Preferred Stock and the current dividend thereon shall have been paid or declared and a sum sufficient for the payment thereof set apart, all voting rights given by this clause (iv) shall be divested from the Preferred Stock (subject, however, to being at any time or from time to time similarly revived and divested) and provided further that, so long as the holders of Preferred Stock shall have the right to elect directors under the terms of this clause (iv), the number of directors constituting a full Board shall be an odd number fixed by the Board of Directors and stated in the notice of each meeting at which a full Board of Directors is to be elected."

3. Such amendment to the Certificate of Incorporation was duly adopted at a special meeting of shareholders on February 26, 1970.

4. The number of shares outstanding at the time of adoption of the amendment was 1,635,927. The total number of shares entitled to vote thereon was 1,607,727.

5. The number of shares voting FOR and AGAINST such amendment is as follows:

Number of Shares Voting FOR Amendment 1,180,550

Number of Shares Voting AGAINST Amendment 37,321

6. The effective time and date of this Amendment to the Certificate of Incorporation shall be 11 A.M., February 26 1970.

Dated this 18th day of February, 1970.

SOUTH JERSEY GAS COMPANY

By: William A. Gemmel
William A. Gemmel
President

Approved and filed with the Secretary of State on the day of February, 1970.

Secretary of State

3 2 4

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Merger as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268231

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

COUNTY OF ATLANTIC)

Ex

BE IT REMEMBERED, that on this 16th day of June 1970, before me, the subscriber, a Notary Public of New Jersey, personally appeared H. B. Haslett, Jr., who, being by me duly sworn on his oath, does depose and make proof to my satisfaction, that he is the Assistant Secretary of SOUTH JERSEY GAS COMPANY, a corporation of the State of New Jersey, the corporation mentioned in the within Statement of Cancellation of Reacquired Shares of South Jersey Gas Company; that G. H. Harris is the Vice President of said Corporation; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said Corporation; that deponent well knows the corporate seal of said Corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Vice President, as and for his voluntary act and deed and as and for the voluntary act and deed of said Corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

H. B. Haslett, Jr.

X 13409

Sworn to and subscribed before me, at Atlantic City, New Jersey, the date aforesaid.

Daniel C. Hauschild
Notary Public of New Jersey
My Commission Expires: July 29, 1971.

(Notarial Seal)

FILED AND RECORDED
JUN 19 1970
Paul J. Sherman
SECRETARY OF STATE

LICENSE FEE	None
FILING FEE	$20.00
RECORDING	3.00
3 CERTIFYING COPY	15.00
SEC. OF STATE	$38.00

South Jersey Gas Company
D. Hauschild
Atlantic Avenue
Atlantic City N.J. 08404

361

CERTIFICATE OF MERGER

OF

SJG CORPORATION

INTO

SOUTH JERSEY GAS COMPANY

To: The Secretary of State
State of New Jersey

Pursuant to the provisions of Section 14A:10-1 and Section 14A:10-4, Corporations, General, of the New Jersey Statutes, the undersigned corporations hereby execute the following Certificate of Merger.

ARTICLE ONE

SJG CORPORATION, a corporation duly organized and validly existing under the laws of the State of New Jersey, will be merged into SOUTH JERSEY GAS COMPANY, a corporation duly organized and validly existing under the laws of the State of New Jersey, which is hereinafter designated as the surviving corporation.

ARTICLE TWO

The Plan of Merger and Reorganization, a copy of which is attached hereto as Exhibit I and made a part hereof, was approved by

the shareholders of each of the undersigned corporations in the manner prescribed by the New Jersey Business Corporation Act.

ARTICLE THREE

As to each corporation whose shareholders are entitled to vote, the number of shares outstanding are:

Name of Corporation	Total Number of Shares Outstanding
South Jersey Gas Company	1,635,927 shares
SJG Corporation	100 shares

ARTICLE FOUR

As to each corporation whose shareholders are entitled to vote, the number of shares voted "FOR" and "AGAINST" the Plan of Merger and Reorganization are:

Name of Corporation	Total Shares Voted "FOR"	Total Shares Voted "AGAINST"
South Jersey Gas Company	1,147,978 shares	30,910 shares
SJG Corporation	100 shares	-0-

ARTICLE FIVE

The effective date of this certificate will be 3:00 p.m., Eastern Standard Time, on Monday, April 20, 1970.

IN WITNESS WHEREOF each of the undersigned corporations has caused this Certificate of Merger to be executed in its name by its President as of this 15th day of April, 1970.

SJG CORPORATION

By William A. Gemmel
William A. Gemmel, President

SOUTH JERSEY GAS COMPANY

By William A. Gemmel
William A. Gemmel, President

Approved and filed with the Secretary of State on the day of April, 1970.

Secretary of State

950

EXHIBIT I

PLAN OF MERGER AND REORGANIZATION

THIS IS A PLAN OF MERGER AND REOGANIZATION, dated March 9, 1970 ("Plan"), between SJG CORPORATION ("SJG") and SOUTH JERSEY GAS COMPANY ("Gas Company"), both New Jersey corporations, and is joined in by SOUTH JERSEY INDUSTRIES, INC. ,"Holding Company"), a New Jersey corporation, to evidence, in consideration of its rights under this Plan, its agreement to the issue of its stock under the terms of this Plan.

BACKGROUND

A. Gas Company is a corporation duly organized and validly existing under the laws of the State of New Jersey, with authorized capital stock consisting of 4,000,000 shares of Common Stock, $2.50 par value, and 100,000 shares of Cumulative Preferred Stock, $100 par value, of which 1,607,727 shares of Common Stock and 28,200 shares of Series A, 4.70% Preferred Stock, are issued and outstanding. There are no options or agreements for the purchase of any unissued shares of stock of Gas Company.

B. SJG is a corporation duly organized and validly existing under the laws of the State of New Jersey, with authorized capital stock consisting of 100 shares of Common Stock, par value $1.00 per share, of which all 100 shares are issued and outstanding and owned in their entirety by Holding Company.

C. Holding Company is a corporation duly organized and idly existing under the laws of the State of New Jersey, with horized capital stock consisting of (a) 5,000,000 shares of mon Stock, par value $2.50 per share, of which 100 shares are ued and outstanding and (b) 2,500,000 shares of Preference ck, without par value, none of which have been issued.

D. The boards of directors of Gas Company, SJG and Holding pany consider that it would be advisable and to the advantage such corporations and their respective shareholders for SJG merge into Gas Company pursuant to this Plan and the applicable visions of the laws of the State of New Jersey, for each outnding share of Common Stock of Gas Company to be converted n such merger (the "Merger") into one share of Common Stock of ding Company, and for the outstanding shares of Common Stock SJG to be converted upon the Merger into shares of Common Stock Gas Company as provided in this Plan.

TERMS

The parties hereto, intending to be legally bound, hereagree as follows:

1. Method and Effect of Merger; Effective Date. SJG merge into Gas Company pursuant to the provisions of N.J.S.A. 4A:10 on the terms and subject to the conditions and requirements inafter stated. Without any limitation on the effect of the er as provided by law, all the rights, powers, privileges, imties, franchises and property, real, personal and mixed of SJG

will, without further act or deed, be transferred to and vested in Gas Company which will be the surviving corporation in the Merger. Gas Company will thenceforth be responsible for all of the liabilities and obligations of SJG. The Merger will take effect on the date and at the time provided in articles of merger to be filed in the office of the Secretary of State of New Jersey ("Effective Date").

2. Conversion and Delivery of Shares; Record Holders.

(a) On the Effective Date each issued and outstanding share of Common Stock of Gas Company will, without further action on the part of Holding Company or any holder of such shares, be converted by the Merger into one share of Common Stock of Holding Company; provided, however, that shares of Common Stock of Holding Company attributable to any holder of Common Stock of Gas Company who has filed a notice of dissent with Gas Company as provided in N.J.S.A. § 14A:11-2(1) will be deemed to be cancelled upon the making by such shareholder of a written demand on Gas Company for the payment of the fair value of his shares as provided in N.J.S.A. § 14A:11-2(3), subject to reinstatement of such shares if his right to be paid the fair value of his shares ceases as provided in N.J.S.A. § 14A:11-4.

(b) The 28,200 shares designated Series A, 4.70% Preferred Stock, $100 par value, of Gas Company will not

be converted by the Merger. Such shares will continue from and after the Effective Date to be outstanding shares of Gas Company.

(c) On the Effective Date all issued and outstanding shares of Common Stock of SJG will be converted by the Merger into 1,607,727 shares of Common Stock of Gas Company; provided, however, that to the extent that shares of Common Stock of Holding Company are cancelled pursuant to paragraph 2(a) hereof, a corresponding number of shares of Common Stock of Gas Company will be cancelled, and that to the extent that shares of Common Stock of Holding Company are reinstated pursuant to paragraph 2(a) hereof, a corresponding number of shares of Common Stock of Gas Company will be reinstated. Certificates representing the shares of outstanding Common Stock of SJG will be surrendered and cancelled and the monies paid in for such shares will be returned to Holding Company.

(d) Shares of Common Stock of Holding Company outstanding prior to the Effective Date will be purchased by Holding Company from the holder thereof at the price paid by him for such shares, and the certificate representing such shares will be surrendered and cancelled.

(e) After the Effective Date of the Merger each holder of a certificate or certificates theretofore representing outstanding shares of Common Stock of Gas Company

may surrender the same to First National Bank of South Jersey, Pleasantville, New Jersey and will receive in exchange therefor a certificate or certificates representing the number of shares of Common Stock of Holding Company into which his shares have been converted. Until so surrendered each share certificate which, prior to the Effective Date, represented shares of Common Stock of Gas Company will, upon and after the Effective Date of the Merger, be deemed for all corporate purposes to evidence the number of shares of Common Stock of Holding Company into which such shares of Common Stock of Gas Company are thereby converted; provided, however, that certificates for any shares of Common Stock of Gas Company the holders of which make a written demand on Gas Company for the payment of the fair value of their shares as provided in N.J.S.A. § 14A:11-2(3) will be deemed to represent only the rights afforded such dissenting holders by the New Jersey Business Corporation Act.

(f) After the period during which a shareholder must make a written demand upon Gas Company for the payment of the fair value of his shares as provided in N.J.S.A. § 14A:11-2(3) has expired, Gas Company will deliver to Holding Company a certificate evidencing the aggregate number of shares of Common Stock of Gas Company into which the

shares of SJG have been converted under the provisions of paragraph 2(c) hereof. Thereafter, Gas Company will from time to time deliver to Holding Company certificates for any shares of Common Stock of Gas Company which have been reinstated under the provisions of paragraph 2(c) hereof.

(g) No other stock, securities, cash or property will be allocated to shareholders of SJG, Gas Company or Holding Company or to any other person, firm or corporation by reason of the Merger in respect of stock held prior to the Merger.

(h) Prior to the Effective Date, SJG will not issue or dispose of additional shares of stock other than to Holding Company and Holding Company will not transfer or otherwise dispose of any stock of SJG other than to SJG.

(i) If the Effective Date occurs prior to the declaration by Gas Company of a dividend on its Common Stock, Gas Company will pay its next regular quarterly dividend to Holding Company and Holding Company will declare and pay an equivalent dividend to the holders of its Common Stock. If the Effective Date has not occurred at the time of a declaration by Gas Company of a dividend on its Common Stock, then the Effective Date will not occur until after the payment by

2 56

Gas Company of such dividend.

3. Concerning Gas Company.

(a) Prior to the Effective Date the Certificate of Incorporation of Gas Company will be amended to authorize Gas Company's Board of Directors to fix in a resolution, or in any amendment thereto, creating and issuing a series of preferred stock the voting rights which the holders of such series of preferred stock will be entitled to. After the amendment to the Certificate of Incorporation has been effected, the Certificate of Designation setting forth the terms of Gas Company's Series A Preferred Stock will be amended by action of the Board of Directors to give the holders of shares of its Series A Preferred Stock the right to vote such shares as one class with the holders of Gas Company's Common Stock in the same manner and with the same effect as though they were holders of shares of Gas Company's Common Stock. A copy of these amendments is attached hereto as Exhibit 1.

(b) The By-laws of Gas Company in effect on the Effective Date will continue to be its By-laws until changed as permitted by law.

(c) The directors of Gas Company on the Effective Date will continue as its directors for their respective terms of office and until their successors have been elected and qualified pursuant to law.

4. Concerning Holding Company.

(a) The Certificate of Incorporation and the By-laws of Holding Company are set forth in Exhibit 2 attached hereto.

(b) The By-laws of Holding Company in effect on the Effective Date will continue to be its By-laws until changed as permitted by law.

(c) The directors of Holding Company on the Effective Date will continue as its directors for their respective terms of office and until their successors have been elected and qualified pursuant to law.

5. Conditions to Plan; Selection of Effective Date.

(a) The consummation of this Plan will be subject to the conditions that:

(i) This Plan will have been approved by the shareholders of Gas Company, SJG and Holding Company, respectively.

(ii) The number of shares of Common Stock of Gas Company, the holders of which have filed a notice of dissent with Gas Company as provided in N.J.S.A. § 14A:11-2(1), shall not exceed 18% of the total outstanding shares of Common Stock of Gas Company.

(iii) Gas Company will have received a ruling from the Internal Revenue Service, in form and substance satisfactory to it and its counsel, to the following effect:

(A) For federal income tax purposes the formation of SJG and its merger into Gas Company will be disregarded and the Merger contemplated by the Plan will be viewed as an acquisition by Holding Company of all of the

J 58

outstanding shares of Gas Company Common Stock, exclusive of those owned by dissenting shareholders, solely in exchange for shares of Holding Company Common Stock;

(B) No gain or loss will be recognized for federal income tax purposes (i) to Holding Company or to the holders of Common Stock of Gas Company (other than shareholders who make a written demand on Gas Company for the payment of the fair value of their shares) upon exchange of their shares of Common Stock of Gas Company for shares of Common Stock of Holding Company, and (ii) to Gas Company or to the holders of Gas Company's Series A Preferred Stock upon granting voting rights to the Series A Preferred shareholders; and

(C) As to such other matters as Gas Company may deem advisable.

(iv) All regulatory approvals and authorizations necessary to the consummation of the Merger and this Plan will have been obtained.

(b) If all of the conditions to this Plan have been satisfied, a date not later than June 30, 1970 will be selected by the boards of directors of Holding Company, SJG and Gas Company as the Effective Date of the Merger; provided, however, that the Effective Date will not occur during the period between the declaration by Gas Company of a dividend on its Common Stock and the date set for payment of such dividend.

6. Representation and Warranty by SJG. SJG represents and rrants to Gas Company that on the Effective Date its liabilities ll not exceed $300.

7. Termination of Plan. At any time prior to the Effec- ve Date, this Plan may be terminated for any reason by a majority

379

vote of the boards of directors of Gas Company, SJG and Holding Company, respectively.

8. Modification of Plan. At any time and from time to time prior to the Effective Date, this Plan, if not previously terminated, may be amended or supplemented in any manner, including extension of the deadline set forth in paragraph 5(b) hereof, by a majority vote of the boards of directors of Gas Company, SJG and Holding Company, respectively, except that no change may be made in the stock exchange ratio provided in this Plan without the approval thereof by the shareholders of Gas Company, SJG and Holding Company, respectively.

Attest:

[SEAL]

SOUTH JERSEY GAS COMPANY

By _____

[SEAL]

SJG CORPORATION

By _____

[SEAL]

SOUTH JERSEY INDUSTRIES, INC.

By _____

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Restated as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268439

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

RESTATED CERTIFICATE OF INCORPORATION

OF

SOUTH JERSEY GAS COMPANY

To: The Secretary of State

State of New Jersey

Pursuant to the provisions of Section 14A:9-5, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby executes the following Restated Certificate of Incorporation:

First: The name of the corporation is South Jersey Gas Company.

Second: The purpose or purposes for which the corporation is organized are: The manufacture and sale of gas and the products thereof and other like articles.

In furtherance, and not in limitation, of the powers hereinabove stated, and the general powers conferred by the laws of the State of New Jersey, it is hereby expressly provided that the corporation shall have also the following powers:

(a) To buy, sell, use or manufacture gas of any type or composition for fuel, heat, light and other purposes, and to manufacture, use, sell and lease gas and vapor manufacturing and consuming machines, merchandise and appliances; to buy, sell and refine oils, hydrocarbons, or other materials for the manufacture of gas or vapor, or for the production of heat and light; and to construct and maintain pipe lines, mains and conduits for the storage, transportation, distribution, and sale of any such gas, oil or other liquids.

(b) To mine, dig for, drill, explore, or otherwise obtain from the earth, petroleum, rock or carbon oils, gas, natural gas and other mineral substances; to store, manufacture, refine, prepare for market, buy, sell and transport the same in the crude or refined condition; to acquire for these purposes gas and oil lands, lease-

Exhibit J

holds, rights and other interests in real estate, to construct and maintain pipe lines, mains and conduits for the transportation of gas or oil for the use of the public generally or of said corporation; to lay, buy, lease, sell and operate pipes, pipe lines, storage tanks and underground storage areas to be used for the purpose of transporting and storing gas and oil, and of doing a general pipe line and storage business; to construct and maintain gas wells, oil wells and refineries, and to buy, sell and deal in gas, oil and mineral substances, and to carry on in connection with any or all of said purposes the business of buying and selling goods, wares and merchandise.

(c) To manufacture, purchase or otherwise acquire, hold, own, sell, assign and transfer, invest, trade, deal in and deal with goods, wares and merchandise and property of every class and description.

(d) To carry on any other business (whether manufacturing, commercial, or otherwise) which may, in the discretion of the directors, seem advantageous and capable of being carried on in conjunction with the above or calculated directly or indirectly to enhance the value of the corporation's property or rights.

(e) To acquire the good will, business, property and assets, and to assume or undertake the whole or any part of the liabilities of any person, firm, association, or corporation, and to pay for the same in cash, stock, bonds, debentures or other securities of this corporation, or otherwise, as the directors may determine.

(f) To purchase or otherwise acquire and to hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of shares of the capital stock and bonds, debentures or other evidences of indebtedness created by any other corporation or corporations, domestic or foreign, and, while the holder thereof, to exercise all the rights and privileges of ownership, including the right to vote thereon.

(g) To purchase or otherwise acquire, to hold, own, maintain, work, mine and develop, and to sell, convey, mortgage, lease or otherwise dispose of, without limit as to amount, within or without the State of New Jersey, real estate and real property, and any interest and rights therein.

Exhibit J

(h) To do all and everything necessary, suitable, convenient or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objects herein enumerated, or incidental to the powers herein named, or which shall at any time appear conducive or expedient for the protection or benefit of the corporation.

It is the intention that the objects, purposes and powers specified and clauses contained in this ARTICLE SECOND, shall be nowise limited or restricted by reference to or inference from the terms of any other clause of this or any other paragraph in this Restated Certificate of Incorporation, but that the objects, purposes and powers specified in each of the clauses of this paragraph shall be regarded as independent objects, purposes and powers.

THIRD: The authorized capital stock of the corporation is four million ninety-seven thousand three hundred (4,097,300) shares, of which ninety-seven thousand three hundred (97,300) shares are Cumulative Preferred Stock of the par value of one hundred dollars ($100) per share (hereinafter called "Preferred Stock"), and four million shares (4,000,000) are Common Stock of the par value of two dollars and fifty cents ($2.50) per share.

The designations, preferences, relative, participating, optional and other special rights, qualifications, limitations and restrictions of the shares of the capital stock of this corporation shall be as follows or as determined in accordance with the following provisions:

Division A—The Preferred Stock

Section 1. Issue in Series.

(A) The corporation may, by resolution of its Board of Directors at any time or from time to time, within the then total authorized amount of the Preferred Stock, create and issue one or more series of the Preferred Stock and fix the designations, descriptions and terms of any such series in the respects in which the shares thereof may vary from the shares of other series of the Preferred Stock as hereinafter provided, fix the authorized amount of any series and increase or

Exhibit J

decrease such authorized amount from time to time, and establish or re-establish any unissued shares of the Preferred Stock as shares of any series or as authorized Preferred Stock which is not part of an existing series.

(B) The shares of the Preferred Stock may be divided into and issued in series, from time to time, as herein provided, each of such series to be distinctively designated. All shares of the Preferred Stock of all series shall be of equal rank and all shares of any particular series of the Preferred Stock shall be identical except as to the date or dates from which dividends thereon shall be cumulative as provided in Section 2 of this Division A. The shares of the Preferred Stock of different series, subject to any applicable provision of law, may vary as to the following terms, which shall be fixed in the case of each series, at any time prior to the issuance of the shares thereof, in the resolutions of the Board of Directors providing for the creation of such series:

(i) The annual dividend rate (within such limits as shall be permitted by law) for the particular series and the date from which dividends shall be initially cumulative on all shares of such series;

(ii) The terms, including the redemption price or prices, on which the particular series may be redeemed;

(iii) The amount or amounts per share for the particular series payable to the holders thereof upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the corporation, which may be different for voluntary and involuntary liquidation, dissolution or winding up;

(iv) The terms and amount of the sinking fund or purchase fund, if any, provided for the redemption or purchase of shares of the particular series; and

(v) The terms and conditions, if any, upon which the holders of any shares of a particular series may convert such shares into capital stock of the corporation of any other class or classes or of any one or more series of the same class or of another class or classes.

Exhibit J

Section 8. Dividends and Restrictions Thereon.

(A) The holders of each series of the Preferred Stock at the time outstanding shall be entitled to receive, but only when and as declared by the Board of Directors, out of funds legally available for the payment of dividends, cumulative preferential dividends, at the annual dividend rate for the particular series fixed therefor, and no more, as herein provided, payable quarterly on the first days of January, April, July and October in each year, to shareholders of record on the respective dates, not exceeding forty (40) days preceding such dividend payment dates, fixed for the purpose by the Board of Directors. No dividends shall be declared on any series of the Preferred Stock in respect of any quarterly dividend period unless there shall likewise be declared on all shares of all series of Preferred Stock at the time outstanding, like proportionate dividends, ratably, in proportion to the respective annual dividend rates fixed therefor, in respect of the same quarterly dividend period, to the extent that such shares are entitled to receive dividends for such quarterly dividend period. The term "quarterly dividend period" shall mean the quarterly period immediately preceding the first days of January, April, July and October, respectively, in each year. Dividends on the shares of Preferred Stock of any series initially issued shall be cumulative from and including a date fixed for such series at the time of the initial establishment or designation of such series and, on any additional shares of the same series, from and including the first day of the quarterly dividend period in which such additional shares shall be issued.

(B) If any dividends are declared or paid on the Preferred Stock in an amount less than the full cumulative dividends accrued or in arrears on all shares of Preferred Stock of all series outstanding, such amount shall be divided between the different series in proportion to the aggregate amounts which would be distributed to the Preferred Stock of each series if full cumulative dividends were declared and paid thereon. The amount of any deficiency for past dividend periods may be paid or declared and set apart at any time without reference to any quarterly dividend payment date. No accumulation of unpaid dividends on the Preferred Stock shall bear interest.

(C) Dividends remaining unclaimed by the holders of shares of Preferred Stock for four and one-half (4½) years after having been declared and made available for payment to such holders of Preferred

Stock shall revert to this corporation for its general corporate purposes and the obligation of this corporation to pay such dividends shall at that time cease and determine.

(D) So long as any shares of the Preferred Stock shall be outstanding, this corporation shall not declare or pay any dividends on any shares of Common Stock or on any other class of stock ranking junior as to dividends to the Preferred Stock (other than dividends payable in stock ranking junior, as to dividends and assets in liquidation, to the Preferred Stock), or make any other distribution on any shares of such junior stock or make any expenditures for the purchase, redemption or other retirement for a consideration of shares of this corporation's stock of any class ranking junior as to assets in liquidation to the Preferred Stock (other than in exchange for, or from the proceeds of any substantially concurrent sale made of, other shares of stock of this corporation ranking junior to the Preferred Stock as to dividends and assets in liquidation), unless accrued dividends on all shares of the Preferred Stock for all past quarterly dividend periods shall have been paid or declared and a sum sufficient for the payment thereof set apart and the full dividend for the then current quarterly dividend period shall have been or concurrently shall be paid or declared and a sum sufficient for the payment thereof set apart.

(E) So long as any shares of the Preferred Stock shall be outstanding, this corporation shall not declare or pay any dividends on any shares of Common Stock or any other class ranking junior as to dividends to the Preferred Stock (other than dividends payable in shares ranking junior, as to dividends and assets in liquidation, to the Preferred Stock) or make any other distribution on any shares of such junior stock, or make any expenditures for the purchase, redemption or other retirement for a consideration of shares of this corporation's stock of any class ranking junior as to assets in liquidation to the Preferred Stock (other than in exchange for, or from the proceeds of any substantially concurrent sale made of, other shares of stock of this corporation ranking junior to the Preferred Stock as to dividends and assets in liquidation), if the aggregate amount of all such dividends, distributions and expenditures paid or made by this corporation after December 31, 1964, would exceed the aggregate amount of this corporation's net income available for dividends on junior stock accumulated after December 31, 1964, by this corporation plus the sum of $1,000,000.

Exhibit J

Section 8. Redemption and Repurchase of Preferred Stock.

(A) The corporation may, at its option, expressed by resolution of its Board of Directors, at any time or from time to time, redeem the whole or any part of any series of the Preferred Stock which by its terms shall be redeemable at the redemption prices fixed for such series. Notice of any proposed redemption of Preferred Stock shall be given by this corporation by mailing a copy of such notice, at least thirty (30) days but not more than ninety (90) days prior to the date fixed for such redemption, to holders of record of the Preferred Stock to be redeemed at their respective addresses then appearing on the books of the corporation. Any such redemption of shares of Preferred Stock shall be in such amount, at such place and by such method, whether by lot or pro rata, as shall from time to time be determined by resolution of the Board of Directors. On or after the date specified in such notice, each holder of shares of Preferred Stock called for redemption shall be entitled to receive, upon presentation and surrender at the place designated in such notice of the certificates for such shares of Preferred Stock held by him, the redemption price thereof. Such certificates shall, if required by the corporation, be properly endorsed in blank for transfer or accompanied by proper instruments of assignment or transfer in blank, and bear all necessary stock transfer tax stamps thereto affixed and cancelled.

(B) On and after the date fixed for redemption, if notice is given as aforesaid, unless default is made by this corporation in providing funds sufficient for such redemption at the time and place specified for the payment thereof pursuant to such notice, all dividends on the shares called for redemption shall cease to accrue; and on and after such redemption date, unless default be made as aforesaid, or on and after the date of earlier deposit by this corporation, in trust for the benefit of the holders of the shares of Preferred Stock so called for redemption, of all funds necessary for such redemption with a bank or trust company doing business in Atlantic City, New Jersey or New York City, New York and having, according to its last published statement, capital, surplus and undivided profits aggregating at least $3,000,000 (provided, in the latter case, that such notice of redemption shall have been mailed to the holders of record of the shares of Preferred Stock to be redeemed or that the corporation shall have executed and delivered to the bank or trust company with

which such deposit of funds is made an instrument irrevocably authorizing it to mail such notice at this corporation's expense), all rights of the holders of the shares of Preferred Stock so called for redemption as shareholders of this corporation, except only the right to receive when due the redemption funds to which they are entitled without interest, shall cease and determine.

(C) Any funds deposited with a bank or trust company for the redemption of shares of Preferred Stock, which shall remain unclaimed by the holders of such Preferred Stock at the end of four and one-half (4½) years after the redemption date shall be paid over by such bank or trust company to this corporation and thereby revert to the general funds of this corporation, to be used by it for its general corporate purposes, and thereafter such holders shall have no claim against such bank or trust company or this corporation therefor. Any interest which shall have been allowed by such bank or trust company on any funds deposited with a bank or trust company for the redemption of shares of Preferred Stock shall belong to this corporation and shall be paid to it from time to time.

(D) Except as otherwise herein provided, the corporation may also from time to time purchase shares of Preferred Stock of any series for any sinking or purchase fund or otherwise at not exceeding the then applicable current redemption prices for such series, including accrued dividends thereon to the date of purchase, plus customary brokerage commissions.

(E) If and so long as there are dividends in arrears on any shares of Preferred Stock of any series or a default exists in any sinking or purchase fund obligation provided for the benefit of any series of Preferred Stock, the corporation shall not redeem any shares of any series of Preferred Stock, unless in connection therewith all of the then outstanding Preferred Stock of all series is redeemed, or purchase any shares of any series of Preferred Stock unless an offer to purchase all of the then outstanding shares of Preferred Stock of all series is made to all of the holders thereof at the same percentage of the then applicable current redemption prices for each such series.

(F) All or any shares of Preferred Stock at any time redeemed, purchased or acquired by the corporation may thereafter, in the discretion of the Board of Directors, be reissued or otherwise disposed

of at any time or from time to time to the extent and in the manner permitted by law, subject, however, to the limitations herein contained, or imposed by action of the Board of Directors creating any series, upon the issue or reissue of shares of such series of Preferred Stock.

Section 4. Liquidation Rights.

Before any amount shall be paid to, or any assets distributed among, the holders of the Common Stock or of any other stock of the corporation ranking junior as to dividends or assets to the Preferred Stock upon any involuntary liquidation, dissolution or winding up of the corporation, and after paying or providing for the payment of all creditors of the corporation, the holders of all shares of each series of the Preferred Stock at the time outstanding shall be entitled to receive, for each share of each series thereof, the par value thereof together with accrued dividends, or, if such liquidation, dissolution or winding up shall have been voluntary, an amount per share equal to the then applicable current redemption price fixed for such series, including accrued dividends. No payments on account of such distributive amounts shall be made to the holders of shares of any series of the Preferred Stock unless there shall likewise be paid at the same time to the holders of shares of each other series of the Preferred Stock at the time outstanding like proportionate distributive amounts ratably, in proportion to the full distributive amounts to which they are respectively entitled as herein provided. If the assets of the corporation available for distribution to holders of Preferred Stock shall not be sufficient to make the full payment herein required, such assets shall be distributed to the holders of the shares of the respective series of Preferred Stock then outstanding, ratably, in proportion to the amounts payable on each share thereof, including accrued dividends. The holders of the Preferred Stock of any series shall not be entitled to receive any amounts with respect thereto upon any liquidation, dissolution or winding up of the corporation other than the amounts referred to in this Section. Neither the consolidation nor merger of the corporation with or into any other corporation or corporations, nor the sale, conveyance, exchange or transfer by the corporation of all or any part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the corporation for the purposes of this Section.

Section 5. Restrictions on Certain Corporate Action.

(A) So long as any shares of Preferred Stock of any series are outstanding, the corporation shall not, without the consent (given in writing or by vote at a meeting duly called and held for that purpose in the manner prescribed by the by-laws of the corporation) of the holders of record of at least two-thirds in interest of the shares of Preferred Stock then outstanding (any consent so given to be binding upon subsequent holders of shares of Preferred Stock, whether theretofore or thereafter issued):

(i) create or authorize or increase the authorized amount of any shares of any class of stock ranking prior to the Preferred Stock as to dividends or as to assets in liquidation, or create or authorize or increase the authorized amount of any security convertible into, or evidencing the right to purchase, shares of stock ranking prior to the Preferred Stock; or

(ii) amend, alter, change or repeal any of the express terms of the Preferred Stock or of any series of Preferred Stock then outstanding in a manner prejudicial to the holders thereof, provided, however, that if any such amendment, alteration, change or repeal would be prejudicial to the holders of shares of one or more, but not all, of the series of Preferred Stock at the time outstanding, such consent shall be required only from the holders of record of two-thirds in interest of the outstanding shares of any such series so affected; or

(iii) sell, lease, transfer, convey or otherwise dispose of all or substantially all of the property or business of the corporation, unless such sale, lease, transfer, conveyance or other disposition shall have been required by order of a regulatory authority having jurisdiction in the premises, provided, however, that no consent of the holders of Preferred Stock shall be required under this provision in connection with the creation of, or amendment to, any mortgage or other encumbrance securing indebtedness upon any or all of the property of this corporation; or

(iv) merge or consolidate with or into any other corporation or corporations, unless such merger or consolidation, or the issuance and assumption of all securities to be issued or assumed in

connection with any such merger or consolidation, shall have been ordered, approved, authorized or permitted by a regulatory authority having jurisdiction in the premises, provided, however, that no such consent of the holders of Preferred Stock shall be required in connection with the purchase or other acquisition by this corporation of franchises or assets of another corporation in any manner which does not involve a merger or consolidation or in connection with the merger into this corporation of another corporation, all of the stock and other securities of which are at the time owned by this corporation.

(B) So long as any shares of Preferred Stock of any series are outstanding, the corporation shall not, without the consent (given in writing or by vote at a meeting duly called and held for that purpose in the manner prescribed by the by-laws of the corporation) of the holders of record of at least a majority in interest of the shares of Preferred Stock then outstanding (any consent so given to be binding upon subsequent holders of shares of Preferred Stock, whether theretofore or thereafter issued):

(i) increase the total authorized amount of Preferred Stock or create or authorize or increase the authorized amount of any shares of any class of stock ranking on a parity with the Preferred Stock as to dividends or as to assets in liquidation, or create or authorize or increase the authorized amount of any security convertible into, or evidencing the right to purchase, shares of any such parity stock; or

(ii) reclassify into Preferred Stock, or into a class ranking on a parity with the Preferred Stock as to dividends or assets in liquidation, any shares of any class of stock ranking junior as to dividends or assets to the Preferred Stock; or

(iii) issue any shares of the Preferred Stock or issue any stock of any class ranking as to dividends or as to assets in liquidation on a parity with the Preferred Stock or dispose of any shares of Preferred Stock or of such parity stock previously reacquired, unless

(a) the net income available for dividends on Preferred Stock, as defined herein, for a period of twelve (12) consecutive

calendar months within the fifteen (15) calendar months immediately preceding the calendar month within which such additional shares of stock are to be issued or disposed of, shall have been at least two and one-half (2½) times the aggregate annual dividend requirements upon the entire amount of Preferred Stock and any stocks of this corporation of any class ranking as to dividends or assets in liquidation prior to or on a parity with the Preferred Stock to be outstanding after giving effect to the issuance or disposition of such additional shares,

(b) the gross income available for payment of interest charges, as defined herein, for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the calendar month within which such additional shares of stock are to be issued or disposed of, shall have been at least one and one-half (1½) times the sum of (1) the aggregate annual interest charges on all indebtedness of this corporation to be outstanding after giving effect to the issuance or disposition of such additional shares, and (2) the aggregate annual dividend requirements upon the entire amount of Preferred Stock and any stocks of this corporation of any class ranking as to dividends or assets in liquidation prior to or on a parity with the Preferred Stock to be outstanding after giving effect to the issuance or disposition of such additional shares, and

(c) the aggregate of the capital of this corporation applicable to all stock ranking as to dividends and assets in liquidation junior to the Preferred Stock, plus capital surplus and earned surplus of this corporation, including premiums on stock of this corporation of any class, shall be not less than the aggregate amount payable upon involuntary liquidation, dissolution or winding up of this corporation to the holders of shares of Preferred Stock and of stock ranking as to assets in liquidation prior to or on a parity with the Preferred Stock to be outstanding after giving effect to the issuance or disposition of such additional shares.

There shall be excluded from the foregoing computations (a) all indebtedness and all shares of stock which are to be retired in connection with

the issuance or disposition of such additional shares and (b) interest charges on all indebtedness and dividend requirements on all shares of stock which are to be retired in connection with the issuance or disposition of such additional shares. The gross income of any property acquired by this corporation during or after the period for which income is computed, or of any property which is to be acquired in connection with the issuance or disposition of any such additional shares, if capable of being separately determined or estimated, may be included on a pro forma basis in the foregoing computations; and the gross income of any property disposed of by this corporation during or after the period for which income is computed, if capable of being separately determined or estimated, shall be excluded on a pro forma basis in the foregoing computations.

(C) No consent of the holders of the shares of any series of Preferred Stock shall be required in respect of any actions to be taken by this corporation hereinabove set forth in paragraphs (A) or (B) of this Section if irrevocable provision is contemporaneously made for the redemption or retirement of all shares of such series of Preferred Stock at the time outstanding, or if provision is made that the proposed action shall not be effective unless irrevocable provision is made for the prompt redemption or retirement of all shares of such series of Preferred Stock at the time outstanding or until all said shares shall have been purchased by the corporation.

Section 6. Voting Rights of Preferred Stock.

(A) The holders of the Preferred Stock shall not be entitled to vote except

(i) as provided in a resolution of the Board of Directors, or in any amendment thereto, creating and issuing one or more series of the Preferred Stock;

(ii) as otherwise provided above in Section 5;

(iii) as to matters for which a class vote of the shareholders of the corporation is required under the laws of the State of New Jersey; and

(iv) if and whenever dividends payable on any of the Preferred Stock shall be in arrears in an amount equivalent to or exceeding four (4) full quarterly dividends, the holders of the shares of Preferred Stock voting separately as a class shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors (the holders of the Common Stock voting separately as a class being entitled to elect the remaining directors), provided, however, that when all arrears in dividends on the Preferred Stock and the current dividend thereon shall have been paid or declared and a sum sufficient for the payment thereof set apart, all voting rights given by this clause (iv) shall be divested from the Preferred Stock (subject, however, to being at any time or from time to time similarly revived and divested) and provided further that, so long as the holders of Preferred Stock shall have the right to elect directors under the terms of this clause (iv), the number of directors constituting a full Board shall be an odd number fixed by the Board of Directors and stated in the notice of each meeting at which a full Board of Directors is to be elected.

(B) Whenever, under the provisions of clause (iii) of paragraph (A) above, the rights of holders of the Preferred Stock to elect directors shall accrue or shall terminate, a proper officer of this corporation may, and within ten (10) days after delivery to this corporation at its principal office in the State of New Jersey of a request or requests to such effect signed by the holders of at least ten percent (10%) in interest of the outstanding shares of any class of stock entitled to vote shall, call a special meeting in accordance with the by-laws of this corporation of the holders of the class or classes of stock of this corporation entitled to vote, to be held within forty (40) days from the delivery of such request, for the purpose of electing a full Board of Directors to serve until the next annual meeting and until their respective successors shall be elected and shall qualify; provided, however, that if the annual meeting of shareholders for the election of directors is to be held within sixty (60) days after the delivery of such request, the Board of Directors need not act thereon. If, at any meeting called as aforesaid or at any annual meeting of shareholders after accrual or termination of the right of holders of the Preferred Stock to elect directors as in clause (iii) of paragraph (A) above provided, any director shall not be re-elected,

his term of office shall end upon the election and qualification of his successor, notwithstanding that the term for which such director was originally elected shall not at the time have expired.

(C) If, during any interval between annual meetings of shareholders for the election of directors while holders of the Preferred Stock shall be entitled to elect any director pursuant to clause (iii) of paragraph (A) above, the number of directors in office who have been elected by the holders of the Preferred Stock, or by the holders of the Common Stock, as the case may be, shall become less than the total number of directors subject to election by holders of shares of such class, whether by reason of the resignation, death, or removal of any director or directors, or an increase in the total number of directors, the vacancy or vacancies shall be filled (i) by the remaining directors or director, if any, then in office who either were or was elected by the votes of shares of such class or succeeded to a vacancy originally filled by the votes of shares of such class or (ii), if there is no such director remaining in office, at a special meeting of holders of shares of such class which shall be called by a proper officer of this corporation to be held within forty (40) days after there shall have been delivered to this corporation at its principal office in the State of New Jersey a request or requests signed by the holders of at least ten percent (10%) in interest of the outstanding shares of such class.

(D) Any director may be removed from office for cause, or without cause, by vote of the holders of a majority in interest of the shares of the class of stock which voted for his election (or for his predecessor in case such director was elected by directors). A special meeting of the holders of shares of any class may be called by a majority vote of the Board of Directors or by the President for the purpose of removing a director in accordance with the provisions of the preceding sentence, and shall be called within forty (40) days after there shall have been delivered to this corporation at its principal office in the State of New Jersey a request or requests to such effect signed by the holders of at least ten percent (10%) in interest of the outstanding shares of the class entitled to vote with respect to the removal of such director.

(E) At all meetings of shareholders held for the purpose of electing directors during such time as the holders of the shares of the

Preferred Stock shall have the special right, voting separately and as a class, to elect directors pursuant to clause (iii) of paragraph (A) above, the presence in person or by proxy of the holders of a majority in interest of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of the directors which they are entitled to elect, and the presence in person or by proxy of the holders of a majority in interest of the outstanding shares of the Preferred Stock shall be required to constitute a quorum of such class for the election of the directors which they are entitled to elect; provided, however, that the absence of a quorum of the holders of stock of either such class shall not prevent the election at any such meeting of directors by the other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and provided further that in the event such a quorum of the holders of the shares of the Common Stock is present but such a quorum of the holders of the shares of the Preferred Stock is not present then the election of the directors elected by the holders of the shares of the Common Stock shall not become effective and the directors so elected by the holders of the shares of the Common Stock shall not assume their offices and duties until the holders of the shares of the Preferred Stock, with such a quorum present, shall have elected the directors they shall be entitled to elect; and provided further, however, that in the absence of a quorum of the holders of stock of either such class, a majority in interest of those holders of the stock of such class who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class from time to time without notice other than announcement at the meeting until the requisite amount of holders of such class shall be present in person or by proxy, but such adjournment shall not be made to a date beyond the date of the next annual meeting of the corporation or a special meeting in lieu thereof.

(F) Whenever, under the provisions of this Restated Certificate of Incorporation, the right of the holders of Preferred Stock to elect directors shall accrue and be exercised, the amount of all dividends on the Preferred Stock which shall be in arrears shall be paid out of any assets of this corporation available therefor as soon as shall be reasonably practicable. Upon the termination of any such voting right entitling the holders of Preferred Stock to elect any director pursuant

to clause (iii) of paragraph (A) above, upon the payment, or the declaration and setting apart for payment, of all dividends on the shares of the Preferred Stock in arrears, the terms of office of all persons who may have been elected directors of the corporation by vote of the holders of the shares of the Preferred Stock, as a class, pursuant to such voting right shall forthwith terminate, and the resulting vacancies shall be filled by the vote of a majority of the remaining directors.

(G) Holders of Preferred Stock of any series and holders of stock of any other class shall not be entitled to receive notice of any meeting of holders of any class of stock at which they are not entitled to vote.

(H) Each holder of Preferred Stock, as to all matters in respect of which such stock has voting power, is entitled to one vote for each share of stock standing in his name.

Section 7. Preemptive Rights.

No holder of shares of any series of the Preferred Stock of the corporation shall be entitled as of right to subscribe for, purchase, or receive any part of any new or additional issue of any stock of the corporation of any class, series, or kind, whatsoever, or any bonds, debentures or other securities convertible into any such stock, whether now or hereafter authorized, and whether issued for cash, property, services, by way of dividends, or otherwise.

Section 8. Definitions.

(A) The term "gross income available for payment of interest charges" shall mean the total operating revenues of this corporation, less the total operating expenses, taxes (including income, excess profits and other taxes based on or measured by income or undistributed earnings or undistributed income), and other appropriate items, including provision for maintenance, and provision for retirements, depreciation or obsolescence, plus or minus, as the case may be, any net non-operating income or deductions, but excluding any charges on account of interest on debt or on account of debt discount and expense, all to be determined in accordance with sound accounting practice. In determining such "gross income available for payment of interest charges", no deduction or adjustment shall be made for or in respect of (1)

profits or losses from the sale, abandonment or other disposition of property properly carried in the plant or investment accounts of this corporation, or taxes paid on or in respect of any such profits, or (2) charges for the elimination or amortization of utility plant adjustment accounts or other intangibles.

(B) The term "net income available for dividends on Preferred Stock" shall mean the total operating revenues of this corporation, less the total operating expenses, taxes (including income, excess profits and other taxes based on or measured by income or undistributed earnings or undistributed income), interest charges, dividend requirements on any stock ranking prior as to dividends or assets in liquidation to the Preferred Stock and other appropriate items, including provision for maintenance, and provision for retirements, depreciation or obsolescence, and including charges for amortization of debt discount and expense, plus or minus, as the case may be, any net non-operating income or deductions, all to be determined in accordance with sound accounting practice. In determining such "net income available for dividends on Preferred Stock", no deduction or adjustment shall be made for or in respect of (1) expenses in connection with the issuance, redemption or retirement of any securities of this corporation, including any amount paid in excess of the principal amount or par or stated value of securities redeemed or retired and, in the event that such redemption or retirement is effected with the proceeds of sale of other securities of this corporation, interest or dividends on the securities redeemed or retired from the date on which the funds required for retirement are deposited in trust for such purpose to the date of redemption or retirement, (2) profits or losses from the sale, abandonment or other disposition of property properly carried in the plant or investment accounts of this corporation, or taxes paid on or in respect of any such profits, (3) charges for the elimination or amortization of utility plant adjustment accounts or other intangibles, or (4) any earned surplus adjustment (including tax adjustments) applicable to any period prior to January 1, 1965.

(C) The term "net income available for dividends on junior stock" shall mean "net income available for dividends on Preferred Stock", as defined and determined above, less the sum of all dividends paid and all dividends accrued and unpaid on any outstanding Pre-

ferred Stock and any other class of stock ranking on a parity with the Preferred Stock as to dividends.

(D) The term "sound accounting practice" shall mean recognized principles of accounting practice followed by companies engaged in a business similar to that of this corporation, provided that any applicable rules, regulations or orders of any public regulatory authority having jurisdiction over the accounts of this corporation shall be controlling, except to the extent that this corporation, at that time, shall be contesting in good faith the validity or applicability to this corporation of any such rule, regulation or order.

(E) The term "accrued dividends" means, in respect of each share of the Preferred Stock, that amount which shall be equal to simple interest upon the par value thereof at the annual dividend rate thereon and no more from the date upon which cumulative dividends on such share commence to accrue to the date fixed for payment of any amount to be distributed in liquidation or upon redemption less the aggregate amount of all dividends theretofore paid or declared and set apart for payment thereon.

Division B—The Common Stock

Section 1. Dividends.

Out of any assets of this corporation legally available for dividends remaining after full cumulative dividends upon any shares of Preferred Stock and of any other class of stock ranking as to dividends prior to the Common Stock of the corporation then outstanding shall have been paid or declared and set apart for all past quarterly dividend periods and for the current quarterly dividend period, then and not otherwise, dividends may be paid upon the Common Stock to the exclusion of the Preferred Stock and any such other class of priority stock.

Section 2. Liquidation Rights.

In the event of any liquidation, dissolution or winding up of the corporation, after there shall have been paid to or set aside for the holders of all series of Preferred Stock and of any other class of stock ranking prior as to assets to the Common Stock the full preferential amounts, including accrued dividends, to which they are respectively

Exhibit J

entitled, the holders of the Common Stock shall be entitled to receive, pro rata, all of the remaining assets of the corporation available for distribution to its shareholders. The Board of Directors, by vote of a majority of the members thereof, may distribute in kind to the holders of the Common Stock such remaining assets of the corporation or may sell, transfer, or otherwise dispose of all or any of the remaining property and assets of the corporation to any other corporation and receive payment therefor wholly or partly in cash or in stock or in obligations of such corporation and may sell all or any part of the consideration received therefor or distribute the same or the balance thereof in kind to the holders of the Common Stock.

Section 3. Voting Rights.

Subject to the voting rights expressly conferred upon the Preferred Stock under Division A of this ARTICLE THIRD and by law, the holders of the Common Stock shall possess exclusively full voting power for the election of directors and for all other purposes. At all elections of the directors of this corporation each holder of shares of Common Stock shall be entitled to as many votes as shall equal the number of his shares of Common Stock, multiplied by the number of directors to be elected by holders of Common Stock, and he may cast all of such votes for a single director, or may distribute them among the number to be voted for, or any two or more of them, as he may see fit. At any meeting of shareholders, at which any action is to be taken which requires the vote, assent or consent of the holders of record of two-thirds in interest of the outstanding shares of Common Stock, or which requires such assent or consent in writing to be filed, such action may be taken upon the vote, assent or consent of the holders of record of two-thirds in interest of the Common Stock present and voting at such meeting in person or by proxy; provided that not less than a majority in interest of the shares of Common Stock then outstanding shall be present and voting at such meeting.

Section 4. Preemptive Rights.

No holder of shares of Common Stock of the corporation shall be entitled as of right to subscribe for, purchase, or receive any part of any new or additional issue of any stock of the corporation of any class,

Exhibit J

series, or kind, whatsoever, or any bonds, debentures, or other securities convertible into any such stock, whether now or hereafter authorized, and whether issued for cash, property, services, by way of dividends or otherwise; provided, however, that the corporation shall not, without first offering the same to the holders of Common Stock then outstanding, issue for cash any shares of Common Stock or securities convertible into Common Stock unless (a) such shares of Common Stock or such convertible securities are securities offered publicly, or (b)

(1) the sum of (i) the aggregate number of shares of Common Stock then being issued for cash or issued for cash during the 24 calendar months next preceding such then current issuance plus (ii) the maximum aggregate number of shares of Common Stock issued or issuable upon conversion of any convertible securities then being issued for cash or issued for cash during the 24 calendar months next preceding such then current issuance (excluding for purpose of this subparagraph (1) securities offered publicly)

would not exceed five percent (5%) of

(2) the sum of (iii) the aggregate number of shares of Common Stock to be outstanding immediately after the issuance of the Common Stock or convertible securities then being issued for cash, plus (iv) the maximum aggregate number of shares of Common Stock issuable upon conversion of all convertible securities to be outstanding immediately after such then current issuance.

The term "securities offered publicly", as used in this Section 4, shall mean shares of Common Stock, or securities (including bonds and debentures) convertible into Common Stock, which are sold by a public offering through competitive bidding or by an offering to or through underwriters or investment bankers who shall have agreed promptly to make a public offering thereof.

FOURTH: The address of the corporation's current registered office is Number One South Jersey Plaza, Route 54, Folsom, New Jersey 08037 and the name of the corporation's current registered agent at such address is E. S. Keepers, Jr.

Exhibit J

FIFTH: The number of directors constituting the current Board of Directors of the corporation is nine (9); and the names and addresses of the directors constituting its Board are:

Name	Address
Paul L. Aiken.....	8700 Ventnor Avenue Margate City, New Jersey 08406
Edward O. Boshell.....	322 River Drive Tequesta, Florida 33458
Fred W. Dieffenbach.....	8 Woodhill Road Tenafly, New Jersey 07670
William A. Gemmel.....	235 E. Cambridge Avenue Linwood, New Jersey 08221
H. Richard Heilman.....	1534 Mt. Pleasant Road Villanova, Pennsylvania 19085
Elwood F. Kirkman.....	Flanders Hotel Ocean City, New Jersey 08226
Al A. Lippe.....	120 Cooper Drive Great Neck, Long Island 11023
Clarence B. McCormick.....	40 West Avenue Bridgeton, New Jersey 08302
John M. Seabrook.....	R.D. 1 Griscomb Road Salem, New Jersey 08079

Dated this 18th day of February, 1971.

SOUTH JERSEY GAS COMPANY

By .....
W. A. Gemmel, *President*

[SEAL]

WITNESS:

.....
E. S. Keepers, Jr.

Exhibit J

STATE OF NEW JERSEY }
COUNTY OF ATLANTIC } ss.:

BE IT REMEMBERED, that on this 15th day of February 1971, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared E. S. Keepers, Jr., Secretary of South Jersey Gas Company, the corporation named in and which executed the foregoing certificate, who, being by me duly sworn according to law, does depose and say and make proof to my satisfaction that he is the Secretary of said corporation; that the seal affixed to said certificate is the corporate seal of said corporation, the same being well known to him; that it was affixed by order of said corporation; that W. A. Gemmel is the President of said corporation; that he saw the said W. A. Gemmel as such President sign said certificate and affix said seal thereto and deliver said certificate, and heard him declare that he signed, sealed and delivered such certificate as the voluntary act and deed of said corporation, by its order and by authority of its Board of Directors; and that the said E. S. Keepers, Jr., signed his name thereto at the same time as subscribing witness.

E. S. Keepers, Jr.

Subscribed and sworn to before me the day and year aforesaid. }

[NOTARIAL SEAL]

David C. Schofield
Notary Public of New Jersey

My commission expires: July 29 1971

CERTIFICATE REQUIRED TO BE FILED WITH THE RESTATED CERTIFICATE OF INCORPORATION OF SOUTH JERSEY GAS COMPANY

Pursuant to the provisions of Section 14A:9-5(5), Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby executes the following certificate:

FIRST: The name of the corporation is SOUTH JERSEY GAS COMPANY.

SECOND: The Restated Certificate of Incorporation was adopted on the 18th day of February, 1971.

THIRD: This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Certificate of Incorporation of this corporation as heretofore amended or supplemented and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

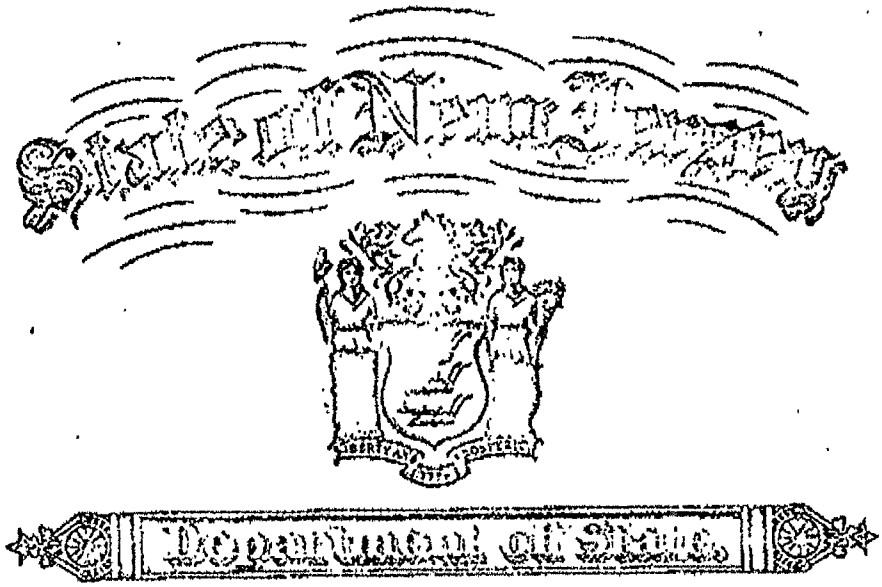
Dated this 18th day of February, 1971.

SOUTH JERSEY GAS COMPANY

By .....
W. A. Gemmel, *President*

ENDORSED
FILED AND RECORDED
JUL 26 1971
PAUL J. SHERWIN
Secretary of State

mb



I, the Secretary of State of the State of New Jersey, do hereby Certify that the foregoing is a true copy of a Restated Certificate of Incorporation of SOUTH JERSEY GAS COMPANY

_____ and the endorsements thereon, as the same is taken from and compared with the original filed in my office on the 26th day of July A.D. 1971, and now remaining on file and of record therein:

In Testimony Whereof, I have hereunto

Exhibit J

In Testimony Whereof, I have hereunto set my hand and affixed my Official Seal at Trenton, this 26th day of July A. D. 19 71

(Illegible)

CERTIFICATE OF AMENDMENT
TO
RESTATED CERTIFICATE OF INCORPORATION
OF
SOUTH JERSEY GAS COMPANY

To: The Secretary of State
State of New Jersey

Pursuant to the provisions of Section 14A:7-2(4), Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby amends its Restated Certificate of Incorporation to add as a part of such Restated Certificate the resolutions referred to in subparagraph (b) below:

(a) The name of the corporation is SOUTH JERSEY GAS COMPANY;

(b) A copy of the resolutions of the Company's board of directors, as required by Subsection 14A:7-2(3), Corporations, General, of the New Jersey Statutes, is attached hereto and is entitled "RESTATED CERTIFICATE SETTING FORTH THE DESIGNATION, DESCRIPTION AND TERMS OF CUMULATIVE PREFERRED STOCK, SERIES A";

(c) Such resolutions were duly adopted by the Company's board of directors on July 7, 1965 and such resolutions were duly amended by the Company's board of directors on November 20, 1969; and

(d) The Company's Restated Certificate of Incorporation is amended so that the designation and number of shares of the class and series of the Company's preferred stock acted upon in the attached resolutions, and the relative rights, preferences and limitations of the Company's Cumulative Preferred Stock, Series A, are as stated in the attached resolutions.

In Witness Whereof, South Jersey Gas Company has caused this Certificate of Amendment to be signed on its behalf by its President and its corporate seal to be affixed and attested by its Secretary this 3rd day of April, 1972.

South Jersey Gas Company

[Corporate Seal]

W. A. Gemmel,
President

Attest:

E. S. Keepers, Jr.
Secretary

ACKNOWLEDGMENT

STATE OF NEW JERSEY }
COUNTY OF ATLANTIC } ss.:

BE IT REMEMBERED, that on this 3rd day of April, 1972, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared E. S. Keepers, Jr., Secretary of South Jersey Gas Company, the corporation named in and which executed the foregoing Certificate of Amendment, who, being by me duly sworn according to law, does depose and say and make proof to my satisfaction that he is the Secretary of said corporation; that the seal affixed to said certificate is the corporate seal of said corporation, the same being well known to him; that it was affixed by order of said corporation; that W. A. Gemmel is the President of said corporation; that he saw the said W. A. Gemmel as such President sign said certificate and affix said seal thereto and deliver said certificate, and heard him declare that he signed, sealed and delivered such certificate as the voluntary act and deed of said corporation, by its order and by authority of its Board of Directors; and that the said E. S. Keepers, Jr., signed his name thereto at the same time as subscribing witness.

E. S. KEEPERS, JR.

Subscribed and sworn to before
me the day and year aforesaid.

[NOTARIAL SEAL]

DANIEL C. HAUSCHILD
Notary Public of New Jersey

My commission expires July 29, 1976

Exhibit J

23

SOUTH JERSEY GAS COMPANY

RESTATED CERTIFICATE SETTING FORTH THE DESIGNATION, DESCRIPTION AND TERMS OF CUMULATIVE PREFERRED STOCK, SERIES A.

Pursuant to the Provisions of Section 14:7-2 of the Revised Statutes of the State of New Jersey

SOUTH JERSEY GAS COMPANY, a corporation organized and existing under the laws of the State of New Jersey (hereinafter called the "Corporation") and being a public utility corporation as defined by Section 48:2-13 of the Revised Statutes of New Jersey by its President and Secretary DOES HEREBY CERTIFY that:

The following resolutions were duly adopted by the Board of Directors of the corporation, pursuant to authority expressly vested in it by the provisions of the Certificate of Incorporation, as amended, at a meeting of said Board, duly convened and held on the 7th day of July, 1965, at which meeting a quorum for the transaction of business was present and acting throughout; and that such resolutions have been since duly amended by the Board of Directors at a meeting of said Board, duly convened and held on the 20th day of November, 1969, at which meeting a quorum for the transaction of business was present and acting throughout:

RESOLVED, that pursuant to the authority expressly vested in the Board of Directors of this corporation by the Certificate of Incorporation, as amended, the Board of Directors does hereby establish a series of the Cumulative Preferred Stock, $100 par value, of the corporation consisting of 30,000 shares of the presently authorized shares of Cumulative Preferred Stock, which shall be designated as "Cumulative Preferred Stock, Series A" (hereinafter called the "Series A Preferred Stock"); and

FURTHER RESOLVED, that the designation, description and terms for the Series A Preferred Stock in respect of which the shares

of such series may vary from shares of other series of Cumulative Preferred Stock shall be as follows:

(a) *Dividends.* The annual dividend rate for such series shall be 4.70% per annum; and the date from which such dividends shall be cumulative shall be the date of original issue of such shares.

(b) *Redemption.* The redemption prices for Series A Preferred Stock shall be as follows:

If redeemed on or before January 1, 1975—$104.70 per share; if redeemed thereafter and on or before January 1, 1980—$102.85 per share; if redeemed thereafter, $101.50 per share; together with, in each case, an amount equal to dividends (whether or not earned or declared) accrued and unpaid to the date of redemption. The shares of Series A Preferred Stock shall not be redeemable prior to January 1, 1970, directly or indirectly, as part of, out of the proceeds of, or in anticipation of, the incurring of debt or the issuance of shares of Cumulative Preferred Stock or other stock ranking prior thereto or on a parity therewith if such debt has an interest rate or cost to the corporation or such shares have a dividend rate or cost to the corporation, calculated in accordance with generally accepted financial practice, of less than 4.70% per annum.

In the event the Corporation shall elect to redeem less than all of the outstanding shares of Series A Preferred Stock, the particular shares to be redeemed shall be selected in the following manner:

(i) The corporation shall first allocate the number of shares to be redeemed between (1) all shares then held by Original Holders (as hereinafter defined) and (2) all shares then held by persons other than Original Holders, in proportion, as nearly as may be, to the aggregate number of shares held by said Original Holders and the aggregate number of shares held by said other persons.

(ii) The corporation shall then designate for redemption (1) on a pro rata basis among all Original Holders, on the basis of the proportion which the number of shares of Series A

Preferred Stock initially issued to each Original Holder bears to the aggregate number of shares of Series A Preferred Stock initially issued by the corporation, the aggregate number of shares allocated to the Original Holders pursuant to (i) above and (2) in such manner as the Board of Directors may determine, whether by lot or otherwise, shares held by persons other than Original Holders in an aggregate amount equal to the number of shares allocated to the aggregate number of shares held by such persons pursuant to (i) above. Fractional shares resulting from such method of selection may be disregarded or adjusted to the nearest whole share at the discretion of the Corporation.

(c) *Liquidation.* The amounts payable on the shares of Series A Preferred Stock in the event of any liquidation, dissolution or winding up of the corporation shall be as to any such share (i) in the event of voluntary liquidation, dissolution or winding up, the current redemption price; and (ii) in the event of involuntary liquidation, dissolution or winding up, the sum of $100; together with in each case an amount equal to dividends (whether or not earned or declared) accrued and unpaid thereon.

(d) *Purchase Fund.* So long as any of the shares of Series A Preferred Stock created by these resolutions shall be outstanding, as and for a Purchase Fund for the retirement of shares of such series, the Corporation shall, except as hereinafter provided, between May 1 and May 10 in each year commencing 1968, offer to purchase on the next ensuing June 15th, 900 shares of such Series A Preferred Stock at the par value thereof together with accrued dividends to the date of purchase. Such offer shall state that it is made pursuant to the Purchase Fund for the retirement of Series A Preferred Stock and shall contain a brief summary of the terms upon which tenders will be accepted, as herein provided, including a statement that all tenders of shares for sale in response to the offer may be accepted in part, as herein provided. Tenders pursuant to any such offer must be made in a writing received by the corporation at least five business days before the next ensuing June 15th. The corporation may require, and in such event the notice of the corporation's offer to purchase shares shall so specify, that all

Exhibit J

tenders of shares of Series A Preferred Stock shall be accompanied by the certificates for the shares tendered, together with evidence, satisfactory to the corporation, of the right of the holders thereof to sell the same to the corporation.

If the aggregate number of shares of Series A Preferred Stock tendered for sale in any year equals or exceeds 900 shares, the corporation shall allocate its purchases among the holders of the shares so tendered as nearly as possible on a pro rata basis, on the basis of the total number of shares of Series A Preferred Stock owned of record at the close of business on the previous June 1 by the several shareholders tendering shares; provided, however, that so long as an Original Holder of Series A Preferred Stock shall hold all of the shares of such Series A Preferred Stock initially issued to such Original Holder (other than shares which have theretofore been redeemed by the corporation or purchased by the corporation pursuant to the Purchase Fund) the number of shares of Series A Preferred Stock to be allocated by the corporation to such Original Holder in any year shall be that number of shares which bears the same ratio to 900 as the number of shares initially issued to such Original Holder bears to 30,000. If, by reason of the allocation of purchases among Original Holders and other holders of Series A Preferred Stock on the foregoing basis, the number of shares to be purchased by the corporation would not equal 900, the balance of the purchases by the corporation shall be allocated among all of the several holders tendering shares, including Original Holders, on the basis of their actual holdings as of such June 1.

If the aggregate number of shares tendered for sale as aforesaid in any year is less than 900 shares, the corporation's obligation in respect of such Purchase Fund for such year shall be discharged by the purchase of the shares tendered, and the fact that the remainder of the 900 shares are not tendered or purchased shall not increase the number of shares of Series A Preferred Stock to be purchased in subsequent years.

The corporation shall not make any offer to purchase shares of Series A Preferred Stock pursuant to the Purchase Fund at any time when dividends are in arrears on any shares of Cumulative Preferred Stock. If in any year the full purchase obliga-

tion of the corporation shall not have been satisfied by the making and carrying out of a purchase offer, any deficiency in the satisfaction of the corporation's obligations under the Purchase Fund shall be made good, in the manner hereinafter in this paragraph set forth, before any dividends shall be paid on, or declared and set apart for, any shares of Common Stock of the corporation or any shares of any class of stock ranking junior to the Cumulative Preferred Stock or before any sums shall be applied to the purchase, redemption or other retirement of the Common Stock or any shares of any class of stock ranking junior to the Cumulative Preferred Stock. The obligation of the corporation to offer to purchase 900 shares of Series A Preferred Stock in each year shall be cumulative, and, if the corporation shall not offer to purchase such 900 shares of Series A Preferred Stock in any year by reason of an arrearage of dividends, it shall make a special purchase offer to purchase such shares promptly after all dividends on shares shall have been paid, or declared and funds sufficient for the payment thereof set apart. Such special purchase offer shall state that the corporation will purchase such shares on a date forty-five days after the date of such special purchase offer at the par value thereof, plus accrued dividends thereon to the date of purchase, and shall otherwise be upon the same terms and conditions and shall contain the same statements hereinabove in this paragraph (d) provided in respect of other offers made pursuant to the Purchase Fund.

(e) *Conversion Privileges.* Shares of the Series A Preferred Stock shall not be convertible into capital stock of the corporation of any other class or classes or of any one or more series of the same class or of another class or classes.

(f) *Cancellation of Shares.* All shares of Series A Preferred Stock at any time redeemed pursuant to paragraph (b) hereof or purchased by the corporation pursuant to the Purchase Fund as set forth in paragraph (d) hereof shall forthwith be retired and cancelled, and may not be reissued.

(g) *Definition of Original Holder.* For the purposes of paragraphs (b) and (d) hereof, the term "Original Holder" shall mean each person in whose name shares of Series A Preferred

Stock shall have been initially registered on the original issuance thereof and shall have remained so registered (registration or re-registration in the name of a nominee being deemed registration in the name of such nominee's principal and certificates representing shares of Series A Preferred Stock issued in exchange for other certificates for shares of Series A Preferred Stock and registered in the same or a nominee's name being deemed shares of Series A Preferred Stock which shall have remained registered in the name of the Original Holder thereof).

(h) *Voting Rights.* The holders of Series A Preferred Stock shall be entitled to vote share for share with the holders of the Common Stock in all matters requiring the vote of shareholders of the Corporation except as otherwise provided in Article Third of the Corporation's Restated Certificate of Incorporation as amended.

IN WITNESS WHEREOF, South Jersey Gas Company has caused this Certificate to be signed on its behalf by its President and its corporate seal to be affixed and attested by its Secretary this 24th day of March, 1972.

[CORPORATE SEAL] SOUTH JERSEY GAS COMPANY

W. A. GEMMEL
President

ATTEST:

E. S. KEEPERS, JR.
Secretary

Exhibit J

STATE OF NEW JERSEY }
COUNTY OF ATLANTIC } ss.:

BE IT REMEMBERED, that on this 24th day of March, 1972, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared E. S. Keepers, Jr., Secretary of South Jersey Gas Company, the corporation named in and which executed the foregoing certificate, who, being by me duly sworn according to law, does depose and say and make proof to my satisfaction that he is the Secretary of said corporation; that the seal affixed to said certificate is the corporate seal of said corporation, the same being well known to him; that it was affixed by order of said corporation; that W. A. Gemmel is the President of said corporation; that he saw the said W. A. Gemmel as such President sign said certificate and affix said seal thereto and deliver said certificate, and heard him declare that he signed, sealed and delivered such certificate as the voluntary act and deed of said corporation, by its order and by authority of its Board of Directors; and that the said E. S. Keepers, Jr., signed his name thereto at the same time as subscribing witness.

E. S. KEEPERS, JR.

Subscribed and sworn to before me the day and year aforesaid. }

[NOTARIAL SEAL]

Daniel C. Hauschild
Notary Public of New Jersey

My commission expires July 29, 1976

Exhibit J

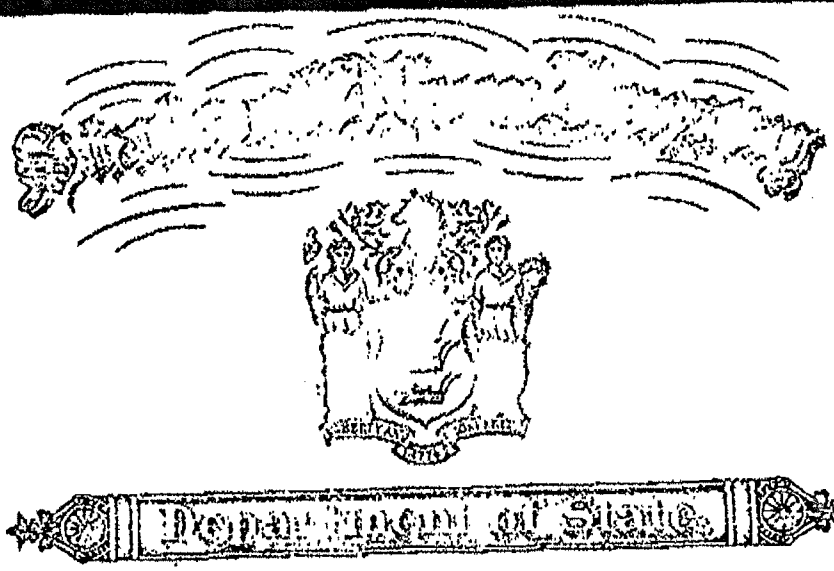
85

Filed and recorded April 19, 1972.

PAUL J. SHERWIN
Secretary of State
State of New Jersey

Exhibit J

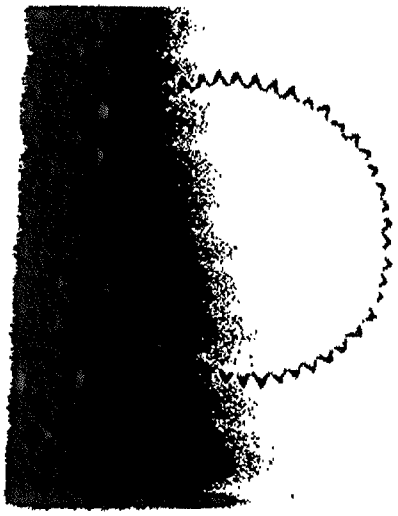
[redacted]



I, the Secretary of State of the State of New Jersey, do hereby Certify *that the foregoing is a true copy of* a Restated Certificate of Incorporation of SOUTH JERSEY GAS COMPANY

_____ *and the endorsements thereon, the same is taken from and compared with the original filed in my office on the* 19th *day of* April *A. D.* 1972, *and now remaining on file and of record therein.*

In Testimony Whereof, *I have hereunto*



In Testimony Whereof, I have hereunto set my hand and affixed my Official Seal at Trenton, this 10th day of July A. D. 19 72

Robert N. Falcey

Secretary of State

** TOTAL PAGE.007 **

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Merger as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268231

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

CERTIFICATE OF MERGER

OF

SOUTHERN COUNTIES LAND COMPANY

INTO

SOUTH JERSEY GAS COMPANY

Exhibit J

CERTIFICATE OF MERGER OF
SOUTHERN COUNTIES LAND COMPANY
INTO SOUTH JERSEY GAS COMPANY

To: The Secretary of State
State of New Jersey

Pursuant to the provisions of N.J.S.A. 14A:10-5 the undersigned corporation hereby certifies as follows:

1. SOUTH JERSEY GAS COMPANY ("PARENT"), a New Jersey corporation, owns all of the outstanding stock of SOUTHERN COUNTIES LAND COMPANY ("SUBSIDIARY"), also a New Jersey corporation.

2. The plan of merger, under which SUBSIDIARY will merge into PARENT and PARENT will be the surviving corporation, is attached to this certificate.

3. There are outstanding 53,000 shares of common stock of SUBSIDIARY, all of which shares are owned by PARENT.

4. The merger of SUBSIDIARY into PARENT will be effective at 5:00 P.M. on December 21, 1978.

In witness whereof the undersigned corporation has executed this certificate this December 21, 1978.

SOUTH JERSEY GAS COMPANY

By William F. Ryan
President

Ex

PLAN OF MERGER

This is a plan of merger dated December 20, 1978 by and between SOUTHERN COUNTIES LAND COMPANY ("SUBSIDIARY"), a New Jersey corporation, and SOUTH JERSEY GAS COMPANY ("PARENT"), also a New Jersey corporation and the sole stockholder of SUBSIDIARY.

1. MERGER OF SUBSIDIARY INTO PARENT. On the Effective Date (defined in paragraph 5 hereof) SUBSIDIARY will merge into PARENT and the separate existence of SUBSIDIARY will cease. PARENT will be the Surviving Corporation and will continue its existence under New Jersey law.

2. CERTIFICATE OF INCORPORATION AND BYLAWS OF SURVIVING CORPORATION. On and after the Effective Date the certificate of incorporation and bylaws of PARENT, as the same are in effect on the Effective Date, shall continue to be the certificate of incorporation and bylaws of the Surviving Corporation until amended as provided by law.

3. DIRECTORS OF SURVIVING CORPORATION. The directors of PARENT on the Effective Date shall continue to hold office from and after the Effective Date until their respective successors are duly elected and qualified.

4. SHARES. On the Effective Date:

4.1 Each issued share of the stock of PARENT will be and continue to be an issued share of the stock of the Surviving Corporation.

4.2 Each issued share of the stock of SUBSIDIARY will, by virtue of the merger and without any action on the part of the holder thereof, be cancelled without conversion or issuance of any shares of stock of the Surviving Corporation with respect thereto.

5. APPROVAL, FILING AND EFFECTIVE DATE. After this plan has been duly approved by the board of directors of PARENT, and if it has not been terminated as provided by paragraph 6 hereof, an appropriate certificate of merger will be executed and filed with the New Jersey Secretary of State on or as of such date ("Effective Date") as the officers of PARENT and SUBSIDIARY may determine. The merger will be effective as of the Effective Date.

6. TERMINATION. This plan may be terminated and the merger abandoned by action of the board of directors of either PARENT or SUBSIDIARY at any time before the Effective Date notwithstanding approval in the manner set forth in paragraph 5 hereof.

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

COMMERCIAL RECORDING
BUREAU

Exhibit J

X13409

FILED AND RECORDED

JUL 19 1978

DONALD LAN
SECRETARY OF STATE

Exhibit J

0220 1520

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 2,400 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	1,500

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 1,886,229; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (Par Value $2.50 per share)	------	1,824,529
Cumulative Preferred Stock	A 4.70%	19,200
Cumulative Preferred Stock	B 8%	42,500

4. The amount of the stated capital of the corporation after giving effect to such cancellation is $10,731,322.50; itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$4,561,322.50
Cumulative Preferred Stock	6,170,000.00

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,081,700 shares, itemized as follows:

CLASS	NO. OF SHARES
Common Stock (Par Value $2.50 per share)	4,000,000
Cumulative Preferred Stock	81,700

IN WITNESS WHEREOF, the said SOUTH JERSEY GAS COMPANY has caused this Certificate to be signed by its Vice President, its corporate seal to be affixed, duly attested by its Secretary, this 13th day of July 1979.

SOUTH JERSEY GAS COMPANY

By _____
H. B. Haslett, Jr.
Vice President

ATTEST:

_____
E. R. Budd, Secretary

4013409

FILED & RECORDED

JUL 17 1980

DONALD LAN
SECRETARY OF STATE

C 4 2 1 - 0 2 5 0

Exhibit J

0421 0287

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-16, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 2,400 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	1,500

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 1,883,829; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (Par Value $2.50 per share)	-------	1,824,529
Cumulative Preferred Stock	A 4.70%	18,300
Cumulative Preferred Stock	B 8%	41,000

4. The amount of the stated capital of the corporation after giving effect to such cancellation is $10,491,322.50 itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$4,561,322.50
Cumulative Preferred Stock	5,930,000.00

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,079,300 shares, itemized as follows:

CLASS	NO. OF SHARES
Common Stock (Par Value $2.50 per share)	4,000,000
Cumulative Preferred Stock	79,300

IN WITNESS WHEREOF, the said SOUTH JERSEY GAS COMPANY has caused this Certificate to be signed by its Vice President, its corporate seal to be affixed, duly attested by its Secretary, this 14th day of July 1980.

SOUTH JERSEY GAS COMPANY

By

H. B. Haslett, Jr.
Vice President

ATTEST:

E. R. Budd, Secretary

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

X 013109

FILED & RECORDED

JUL 21 1981

DONALD LAN
SECRETARY OF STATE

DEPARTMENT OF STATE
1981 JUL 21 AM 8:45
COMMERCIAL RECORDING
BUREAU

Exhibit

0 5 6 6 0 1 5 6

Exhibit J

0566 0153

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 2,400 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	1,500

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (Par Value $2.50 per share)	-------	1,824,529
Cumulative Preferred Stock	A 4.70%	17,400
Cumulative Preferred Stock	B 8%	39,500

4. The amount of the stated capital of the corporation after giving effect to such cancellation is $10,251,322.50 itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$4,561,322.50
Cumulative Preferred Stock	5,690,000.00

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,076,900 shares, itemized as follows:

CLASS	NO. OF SHARES
Common Stock (Par Value $2.50 per share)	4,000,000
Cumulative Preferred Stock	76,900.

IN WITNESS WHEREOF, the said SOUTH JERSEY GAS COMPANY has caused this Certificate to be signed by its Vice President, its corporate seal to be affixed, duly attested by its Secretary, this 14th day of July 1981.

SOUTH JERSEY GAS COMPANY

By

H. B. Haslett, Jr.
Vice President

ATTEST:

G. L. Baulig, Secretary

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at

https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

FILED

JUL 20 1982

JANE BURGIO
Secretary of State

X13409

Exhibit J

STATEMENT OF CANCELLATION OF REACQUIRED SHARES OF SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 2,400 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	1,500

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (Par Value $2.50 per share)	-------	1,824,529
Cumulative Preferred Stock	A 4.70%	16,500
Cumulative Preferred Stock	B 8%	38,000

4. The amount of the stated capital of the corporation after giving effect to such cancellation is $10,011,322.50 itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$4,561,322.50
Cumulative Preferred Stock	5,450,000.00

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,074,500 shares, itemized as follows:

CLASS	NO. OF SHARES
Common Stock (Par Value $2.50 per share)	4,000,000
Cumulative Preferred Stock	74,500

IN WITNESS WHEREOF, the said SOUTH JERSEY GAS COMPANY has caused this Certificate to be signed by its Vice President, its corporate seal to be affixed, duly attested by its Secretary, this 15th day of July 1982..

SOUTH JERSEY GAS COMPANY

By

R. B. Tonielli, Vice President

ATTEST:

G. L. Baulig, Secretary

Exhibit J

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

DEPARTMENT OF STATE
1983 JUL 19 AM 8 40
COMMERCIAL RECORDING
BUREAU

DEPARTMENT OF STATE
1983 AUG 17 PM 2 27
COMMERCIAL RECORDING
BUREAU

FILED
AUG 24 1983
JANE BURGIO
Secretary of State

Sheet X

Exhi

STATEMENT OF CANCELLATION OF REACQUIRED SHARES OF SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 2,400 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	1,500

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (Par Value $2.50 per share)	-------	1,824,529
Cumulative Preferred Stock	A 4.70%	15,600
Cumulative Preferred Stock	B 8%	36,500

4. The amount of the stated capital of the corporation after giving effect to such cancellation is $9,771,322.50 itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$4,561,322.50
Cumulative Preferred Stock	$5,210,000.00

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,072,100 shares, itemized as follows:

CLASS	NO. OF SHARES
Common Stock (Par Value $2.50 per share)	4,000,000
Cumulative Preferred Stock	72,100

IN WITNESS WHEREOF, the said SOUTH JERSEY GAS COMPANY has caused this Certificate to be signed by its Vice President, its corporate seal to be affixed, duly attested by its Secretary, this 14th day of July 1983.

SOUTH JERSEY GAS COMPANY

By

R. B. Tonielli
Vice President

ATTEST:

G. L. Baulig, Secretary

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

FILED & RECORDED

JUL [illegible] 1978

[illegible]
SECRETARY OF STATE

LICENSE FEE .....—

FILING FEE $25.00

CERTIFICATES COPY $10.00

TOTAL $35.00

DFD

E. A. Rudd
South Jersey Gas Co.
Number One South Jersey Plaza, Rt. 54
Folsom, N.J. 08037

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 2,400 shares; itemized as follows:

Class	Series	No. of Shares
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	1,500

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 1,893,429; itemized as follows:

Class	Series	No. of Shares
Common Stock (Par Value $2.50 per share)	-----	1,824,529*
Cumulative Preferred Stock	A 4.70%	21,900
Cumulative Preferred Stock	B 8%	47,000

4. The amount of the stated capital of the corporation after giving effect to such cancellation is $11,451,322.50; itemized as follows:

Class	Stated Capital
Common Stock	$4,561,322.50
Cumulative Preferred Stock	6,890,000.00

*216,802 shares issued 6/29/76
Approved by PUC Docket No. 764-382
by Order dated 5/27/76.

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,088,900 shares; itemized as follows:

Class	No. of Shares
Common Stock (Par Value $2.50 per share)	4,000,000
Cumulative Preferred Stock	88,900

IN WITNESS WHEREOF, the said SOUTH JERSEY GAS COMPANY has caused this Certificate to be signed by its President, its corporate seal to be affixed, duly attested by its Secretary, this 1st day of July 1976.

SOUTH JERSEY GAS COMPANY

By _____
W. A. Gemmel, President

ATTEST:

_____
E. R. Budd, Secretary

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

FILED

AUG 15 1985

JANE BURGIO
Secretary of State

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-1B, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 2,400 shares, itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	1,500

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 2,326,439, itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (par value $2.50 per share)	------	2,339,139
Cumulative Preferred Stock	A 4.70%	13,800
Cumulative Preferred Stock	B 8%	33,500

4. The amount of the stated capital of the corporation after giving effect to such cancellation is $10,597,847.50, itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$5,847,847.50
Cumulative Preferred Stock	$4,730,000.00

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,067,300 shares, itemized as follows:

CLASS	NO. OF SHARES
Common Stock (par value $2.50 per share)	4,000,000
Cumulative Preferred Stock	67,300

IN WITNESS WHEREOF, the said SOUTH JERSEY GAS COMPANY has caused this Certificate to be signed by its Senior Vice President, its corporate seal to be affixed, duly attested by its Secretary, this 15th day of July 1985.

SOUTH JERSEY GAS COMPANY

By

H. B. Haslett, Jr.
Senior Vice President

ATTEST:

G. L. Ebalig, Secretary

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
CERTIFICATE RELATIVE TO CORPORATE FILING

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify that the above named business did on July 7, 1986, file and record in this department a certificate of Amendment as by the statutes of this state required.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268200

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
CERTIFICATE RELATIVE TO CORPORATE FILING

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify that the above named business did on July 22, 1986, file and record in this department a certificate of Amendment as by the statutes of this state required.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268217

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
CERTIFICATE RELATIVE TO CORPORATE FILING

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify that the above named business did on July 24, 1987, file and record in this department a certificate of Amendment as by the statutes of this state required.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268224

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

ADB0355103

FILED

MAR 27 1987

JANE BURGIO
Secretary of State

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The corporation has reacquired out of stated capital and has cancelled 1,811 shares of its Cumulative Preferred Stock, Series B. Pursuant to statute, the stated capital of the corporation has been reduced by the $172,045 of stated capital represented by such shares before their cancellation.

3. The aggregate number of issued shares of the corporation, itemized by classes and series, after giving effect to such cancellation is as follows:

	CLASS	SERIES NO. OF SHARES
Common Stock (par value $2.50 per share)	-----	2,339,139
Cumulative Preferred Stock, (par value $100 per share)	A (4.70%)	12,900
Cumulative Preferred Stock (par value $100 per share)	B (8%)	26,938

4. The amount of the stated capital of the corporation, after giving effect to such cancellation is $9,831,647.50, itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$5,847,847.50
Cumulative Preferred Stock	3,983,800.00
	$9,831,647.50

5. The 1,811 shares of Cumulative Preferred Stock, Series B, that have been reacquired and cancelled have been restored to the status of authorized but unissued shares of Cumulative Preferred Stock which are not part of an existing series, and shall be available for reissuance as shares of any series of Cumulative Preferred Stok upon compliance with and subject to any restrictions contained in applicable law and the certificate of incorporation of the corporation, as amended.

000207 3000

X 13409

Exhibit J

X13409

6. The number of shares which the corporation has authority to issue, which has not been reduced by such cancellation of 1,811 shares of Cumulative Preferred Stock, Series B, is 4,064,900 shares, itemized as follows:

CLASS	NO. OF SHARES AUTHORIZED
Common Stock (par value $2.50 per share)	4,000,000
Cumulative Preferred Stock (par value $100 per share)	64,900
	4,064,900

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by its Senior Vice President, its corporate seal to be affixed, and duly attested by its Secretary, this 11th day of March 1987.

SOUTH JERSEY GAS COMPANY

By H. B. Haslett, Jr.
Senior Vice President

ATTEST:

G. L. Baulig, Secretary

X13409

STATE OF NEW JERSEY)

COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 11th day of March 1987, before me, the subscriber, a Notary Public of New Jersey, personally appeared G. L. Baulig who, being by me duly sworn on his oath, does depose and make proof to my satisifaction, that he is the Secretary of South Jersey Gas Company; that H. B. Haslett, Jr. is the Senior Vice President of said corporation, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Senior Vice President as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

G. L. Baulig

G. L. Baulig, Secretary

Sworn to and subscribed before:
me, at Folsom, New Jersey :
the date aforesaid :

Eleanor Merighi

Notary Public of New Jersey

ELEANOR MERIGHI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 2, 1989

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

AOB

FILED

SEP 15 1988

JANE BURGIO
Secretary of State

0482891

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 2,400 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	1,500

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 2,374,177 itemized as follows:

CLASS	SERIES	NO OF SHARES
Common Stock (par value $2.50 per share)	------	2,339,139
Cumulative Preferred Stock	A 4.70%	11,100
Cumulative Preferred Stock	B 8%	23,938

4. The amount of the stated capital of the corporation, after giving effect to such cancellation is $9,351,647.50, itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$5,847,847.50
Cumulative Preferred Stock	3,503,800.00

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

0002-0230-00 K 013409

6. The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,060,100 shares, itemized as follows:

CLASS	NO. OF SHARES AUTHORIZED
Common Stock (par value $2.50 per share)	4,000,000
Cumulative Preferred Stock	60,100

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by its Senior Vice President, its corporate seal to be affixed, and duly attested by its Secretary, this 22nd day of July 1987.

SOUTH JERSEY GAS COMPANY

By R B Toniell
R. B. Tonielli
Senior Vice President

ATTEST:

G L Baulig
G. L.Baulig, Secretary

STATE OF NEW JERSEY)

COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 12th day of July 1988, before me, the subscriber, a Notary Public of New Jersey, personally appeared G. L. Baulig who, being by me duly sworn on his oath, does depose and make proof to my satisifaction, that he is the Secretary of South Jersey Gas Company; that R. B. Tonielli is the Senior Vice President of said corporation, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Senior Vice President as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

G. L. Baulig

G. L. Baulig, Secretary

Sworn to and subscribed before:
me, at Folsom, New Jersey :
the date aforesaid :

Marie T. Schaffer

Notary Public of New Jersey

MARIE T. SCHAFFER
A Notary Public of New Jersey
My Commission Expires Oct. 5, 1988

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125269177

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

ABB

FILED

JUL 1 5 1989

JANE BURGIO
Secretary of State

0526687

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 2,400 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	1,500

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 2,371,777 itemized as follows:

CLASS	SERIES	NO OF SHARES
Common Stock (par value $2.50 per share)	------	2,339,139
Cumulative Preferred Stock	A 4.70%	10,200
Cumulative Preferred Stock	B 8%	22,438

4. The amount of the stated capital of the corporation, after giving effect to such cancellation is $9,111,647.50, itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$5,847,847.50
Cumulative Preferred Stock	3,263,800.00

0002023000 X013709

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

6. The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,057,700 shares, itemized as follows:

CLASS	NO. OF SHARES AUTHORIZED
Common Stock (par value $2.50 per share)	4,000,000
Cumulative Preferred Stock	57,700

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by its Senior Vice President, its corporate seal to be affixed, and duly attested by its Secretary, this 10th day of July 1989.

SOUTH JERSEY GAS COMPANY

By R B Tonielli
R. B. Tonielli
Senior Vice President

ATTEST:

G L Baulig
G. L.Baulig, Secretary

STATE OF NEW JERSEY)

COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 10th day of July 1989, before me, the subscriber, a Notary Public of New Jersey, personally appeared G. L. Baulig who, being by me duly sworn on his oath, does depose and make proof to my satisifaction, that he is the Secretary of South Jersey Gas Company; that R. B. Tonielli is the Senior Vice President of said corporation, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Senior Vice President as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

G. L. Baulig, Secretary

Sworn to and subscribed before:
me, at Folsom, New Jersey :
the date aforesaid :

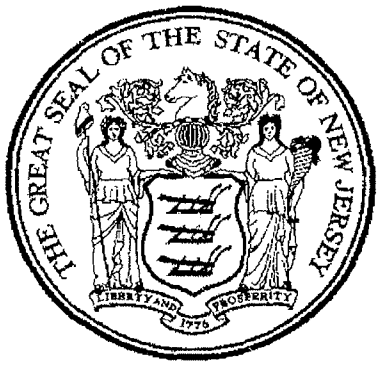
Notary Public of New Jersey

Exhibit J

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

ADB

FILED

OCT 10 1991

JOAN HABERLE
Secretary of State

0726741

STATEMENT OF CANCELLATION OF REACQUIRED SHARES OF SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 4,800 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	1,800
Cumulative Preferred Stock	B 8%	3,000

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 2,366,977 itemized as follows:

CLASS	SERIES	NO OF SHARES
Common Stock (par value $2.50 per share)	------	2,339,139
Cumulative Preferred Stock	A 4.70%	8,400
Cumulative Preferred Stock	B 8%	19,438

4. The amount of the stated capital of the corporation, after giving effect to such cancellation is $8,631,647.50, itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$5,847,847.50
Cumulative Preferred Stock	2,783,800.00

26.16 EB 01 96

0 002023000 X 013409

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

6. The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,062,500 shares, itemized as follows:

CLASS	NO. OF SHARES AUTHORIZED
Common Stock (par value $2.50 per share)	4,000,000
Cumulative Preferred Stock	62,500

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by its Senior Vice President, its corporate seal to be affixed, and duly attested by its Secretary, this 17th day of September 1991.

SOUTH JERSEY GAS COMPANY

By R. B. Tonielli
R. B. Tonielli
Senior Vice President

ATTEST:

G. L. Baulig
G. L. Baulig, Secretary

STATE OF NEW JERSEY)
COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 17th day of September 1991, before me, the subscriber, a Notary Public of New Jersey, personally appeared G. L. Baulig who, being by me duly sworn on his oath, does depose and make proof to my satisifaction, that he is the Secretary of South Jersey Gas Company; that R. B. Tonielli is a Senior Vice President of said corporation, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Senior Vice President as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

G. L. Baulig, Secretary

Sworn to and subscribed before:
me, at Folsom, New Jersey :
the date aforesaid :

Dorothy Thimm
Notary Public of New Jersey
DOROTHY THIMM
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 30, 1995

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

ADB

FILED

JUL 29 1992

DANIEL J. DALTON
Secretary of State
0790512

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. The number of shares cancelled is 1,096 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	196

3. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 2,365,881 itemized as follows:

CLASS	SERIES	NO OF SHARES
Common Stock (par value $2.50 per share)	------	2,339,139
Cumulative Preferred Stock	A 4.70%	7,500
Cumulative Preferred Stock	B 8%	19,242

4. The amount of the stated capital of the corporation, after giving effect to such cancellation is $8,522,047.50, itemized as follows:

CLASS	STATED CAPITAL
Common Stock	$5,847,847.50
Cumulative Preferred Stock	2,674,200.00

000 20 23000
X 13409 - 000002300

0000023000

5. The Certificate of Incorporation is amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

6. The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,063,596 shares, itemized as follows:

CLASS	NO. OF SHARES AUTHORIZED
Common Stock (par value $2.50 per share)	4,000,000
Cumulative Preferred Stock	63,596

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by its Senior Vice President, its corporate seal to be affixed, and duly attested by its Secretary, this 17th day of July 1992.

SOUTH JERSEY GAS COMPANY

By R B Toniell
R. B. Tonielli
Senior Vice President

ATTEST:

G L Baulig
G. L. Baulig, Secretary

Exhibit J

000 2023000

STATE OF NEW JERSEY)

COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 17th day of July 1992, before me, the subscriber, a Notary Public of New Jersey, personally appeared G. L. Baulig who, being by me duly sworn on his oath, does depose and make proof to my satisifaction, that he is the Secretary of South Jersey Gas Company; that R. B. Tonielli is a Senior Vice President of said corporation, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Senior Vice President as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

G. L. Baulig

G. L. Baulig, Secretary

Sworn to and subscribed before:
me, at Folsom, New Jersey :
the date aforesaid :

Dorothy Thimm

Notary Public of New Jersey

DOROTHY THIMM
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 30, 1995

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

AMC

FILED

AUG 3 1998

James A. DiEleuterio, Jr.
State Treasurer

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. As per Board resolution dated May 22, 1998, the number of shares cancelled is 5,400 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	5,400
Cumulative Preferred Stock	B 8%	-0-

3. The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,021,342 shares, itemized as follows:

CLASS	NO. OF SHARES AUTHORIZED
Common Stock (par value $2.50 per share)	4,000,000
Cumulative Preferred Stock	21,342

4. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 2,360,481 itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (par value $2.50 per share)	-	2,339,139
Cumulative Preferred Stock	A 4.70%	2,100
Cumulative Preferred Stock	B 8%	19,242

5458051 J875378
0002023000

5. The Certificate of Incorporation, provided that cancelled shares shall not be reissued and is hereby amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by its Senior Vice President , its corporate seal to be affixed, and duly attested by its Assistant Secretary, this 30th day of July 1998.

SOUTH JERSEY GAS COMPANY

By _____
George L. Baulig
Senior Vice President

ATTEST:

_____
Richard H. Walker, Jr.
Assistant Secretary

STATE OF NEW JERSEY)

COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 30th day of July 1998, before me, the subscriber, a Notary Public of New Jersey, personally appeared George L. Baulig who, being by me duly sworn on his oath, does depose and make proof to my satisfaction, that he is a Senior Vice President of South Jersey Gas Company; that Richard H. Walker, Jr. is the Assistant Secretary of said corporation, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Senior Vice President as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

George L. Baulig
Senior Vice President

Sworn to and subscribed before:
me, at Folsom, New Jersey :
the date aforesaid :

Notary Public of New Jersey

W. J. SMETHURST, JR.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires August 26, 2001

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

FILED

JUL 8 1999

James A. DiEleuterio, Jr.
State Treasurer

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. As per Board resolution dated May 21, 1999, the number of shares cancelled is 900 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	-0-

3. The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,020,442 shares, itemized as follows:

CLASS	NO. OF SHARES AUTHORIZED
Common Stock (par value $2.50 per share)	4,000,000
Cumulative Preferred Stock	20,442

4. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 2,359,581 itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (par value $2.50 per share)	-	2,339,139
Cumulative Preferred Stock	A 4.70%	1,200
Cumulative Preferred Stock	B 8%	19,242

01/0807
1178174

000 202 3000

5. The Certificate of Incorporation, provided that cancelled shares shall not be reissued and is hereby amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by its Senior Vice President , its corporate seal to be affixed, and duly attested by its Assistant Secretary, this 29th day of June 1999.

SOUTH JERSEY GAS COMPANY

By _____
George L. Baulig
Senior Vice President

ATTEST:

_____
Richard H. Walker, Jr.
Assistant Secretary

STATE OF NEW JERSEY)

COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 29th day of June 1999, before me, the subscriber, a Notary Public of New Jersey, personally appeared George L. Baulig who, being by me duly sworn on his oath, does depose and make proof to my satisfaction, that he is a Senior Vice President of South Jersey Gas Company; that Richard H. Walker, Jr. is the Assistant Secretary of said corporation, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Senior Vice President as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

George L. Baulig
Senior Vice President

Sworn to and subscribed before:
me, at Folsom, New Jersey :
the date aforesaid :

Notary Public of New Jersey
DOROTHY THIMM
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 30, 2000

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the
Certificate of Amendment
as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

AMC

FILED

AUG 15 2000

State Treasurer
Roland Machold

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. As per Board resolution dated May 18, 2000, the number of shares cancelled is 2,400 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	900
Cumulative Preferred Stock	B 8%	1,500

3. The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,019,542 shares, itemized as follows:

CLASS	NO. OF SHARES AUTHORIZED
Common Stock (par value $2.50 per share)	4,000,000
Cumulative Preferred Stock	18,042

4. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 2,357,181 itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (par value $2.50 per share)	-	2,339,139
Cumulative Preferred Stock	A 4.70%	300
Cumulative Preferred Stock	B 8%	17,742

S 830743
Q 1571459

0002023000

5. The Certificate of Incorporation, provided that cancelled shares shall not be reissued and is hereby amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares cancelled.

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by its Senior Vice President , its corporate seal to be affixed, and duly attested by its Assistant Secretary, this 8th day of August 2000.

SOUTH JERSEY GAS COMPANY

By _____
George L. Bauli
Senior Vice President

ATTEST:

_____
Richard H. Walker, Jr.
Assistant Secretary

STATE OF NEW JERSEY)

COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 8th day of August 2000, before me, the subscriber, a Notary Public of New Jersey, personally appeared George L. Baulig who, being by me duly sworn on his oath, does depose and make proof to my satisfaction, that he is a Senior Vice President of South Jersey Gas Company; that Richard H. Walker, Jr. is the Assistant Secretary of said corporation, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Senior Vice President as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

G L Baulig

George L. Baulig
Senior Vice President

Sworn to and subscribed before:
me, at Folsom, New Jersey :
the date aforesaid :

Carolyn Jacobs

Notary Public of New Jersey

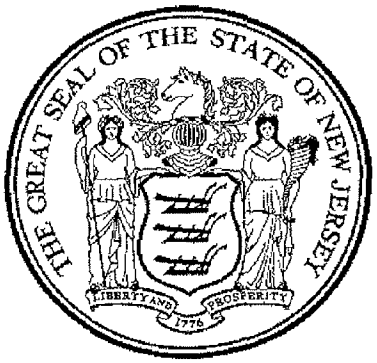
CAROLYN JACOBS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 28, 2003

Exhibit J

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268712

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J
AMC

FILED
AUG - 6 2001
STATE TREASURER

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. As per Board resolution dated May 18, 2001, the number of shares cancelled is 1,138 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	A 4.70%	300
Cumulative Preferred Stock	B 8%	838

3. The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,016,904 shares, itemized as follows:

CLASS	NO. OF SHARES AUTHORIZED
Common Stock (par value $2.50 per share)	4,000,000
Cumulative Preferred Stock	16,904

4. The aggregate number of issued shares of the corporation after giving effect to such cancellation is 2,356,043 itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (par value $2.50 per share)	-	2,339,139
Cumulative Preferred Stock	B 8%	16,904

0002023000

0989517
1885403

5. The Certificate of Incorporation, provided that cancelled shares shall not be reissued and is hereby amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares canceled.

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by its Senior Vice President , its corporate seal to be affixed, and duly attested by its Assistant Secretary, this 30th day of July 2001.

SOUTH JERSEY GAS COMPANY

By _____
George L. Baulig
Senior Vice President

ATTEST:

_____
Richard H. Walker, Jr.
Assistant Secretary

STATE OF NEW JERSEY)

COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 30th day of July 2001, before me, the subscriber, a Notary Public of New Jersey, personally appeared George L. Baulig who, being by me duly sworn on his oath, does depose and make proof to my satisfaction, that he is a Senior Vice President of South Jersey Gas Company; that Richard H. Walker, Jr. is the Assistant Secretary of said corporation, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Senior Vice President as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

George L. Baulig
Senior Vice President

Sworn to and subscribed before:
me, at Folsom, New Jersey :
the date aforesaid :

Notary Public of New Jersey

DOROTHY THIMM
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires August 2, 2005

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

SOUTH JERSEY GAS COMPANY
0002023000

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the Certificate of Amendment as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 25th day of June, 2012

Andrew P Sidamon-Eristoff
State Treasurer

Certificate Number: 125268248

Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

Exhibit J

AMC

FILED
AUG 2 4 2005
STATE TREASURER

STATEMENT OF CANCELLATION
OF REACQUIRED SHARES OF
SOUTH JERSEY GAS COMPANY

TO: THE SECRETARY OF STATE
STATE OF NEW JERSEY

Pursuant to the provisions of Section 14A:7-18, Corporations, General, of the New Jersey Statutes, the undersigned corporation hereby submits the following Statement of Cancellation of Reacquired Shares:

1. The name of the corporation is SOUTH JERSEY GAS COMPANY.

2. As per Board resolution dated January 26, 2005, the number of shares authorized for redemption is 16,904 shares; itemized as follows:

CLASS	SERIES	NO. OF SHARES
Cumulative Preferred Stock	B 8%	16,904

3. The number of shares which the corporation has authority to issue, after giving effect to such cancellation is 4,000,000 shares, itemized as follows:

CLASS	NO. OF SHARES AUTHORIZED
Common Stock (par value $2.50 per share)	4,000,000

4. The aggregate number of issued shares of the corporation after giving effect to such redemption is 2,339,139 itemized as follows:

CLASS	SERIES	NO. OF SHARES
Common Stock (par value $2.50 per share)	-	2,339,139

1592523
3006328

0002023000

5. The Certificate of Incorporation, provided that redeemed shares shall not be reissued and is hereby amended pursuant to a resolution of the Board of Directors decreasing the aggregate number of shares which the corporation is authorized to issue by the number of shares canceled.

IN WITNESS WHEREOF, the corporation has caused this Certificate to be signed by its Senior Vice President , its corporate seal to be affixed, and duly attested by its Executive Vice President, this 15th day of August 2005.

SOUTH JERSEY GAS COMPANY

By _____
Richard H. Walker, Jr.
Senior Vice President

ATTEST:

_____
David A. Kindlick
Executive Vice President

STATE OF NEW JERSEY)

COUNTY OF ATLANTIC)

BE IT REMEMBERED, that on this 15th day of August 2005, before me, the subscriber, a Notary Public of New Jersey, personally appeared Richard H. Walker, Jr. who, being by me duly sworn on his oath, does depose and make proof to my satisfaction, that he is a Senior Vice President of South Jersey Gas Company; that David A. Kindlick is an Executive Vice President of said corporation, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said Senior Vice President as and for his voluntary act and deed and as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

Richard H. Walker, Jr.
Senior Vice President

Sworn to and subscribed before:
me, at Folsom, New Jersey :
the date aforesaid :

Carol A. Kennish
Notary Public of New Jersey

CAROL A KENNISH
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires February 21, 2007

EXHIBIT K

ELIZABETHTOWN GAS COMPANY

Principal Stockholders: 100% SJI Utilities, Inc.

Directors (Tentative):

Walter M. Higgins, III

Joseph M. Rigby

Brian MacLean

Officers*:

Brian MacLean	President
Mary Patricia Keefe	Vice President

*Full slate of officers to be identified.

EXHIBIT L

NOTICE OF FILING OF A JOINT PETITION FOR APPROVAL OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC. AND RELATED TRANSACTIONS

BPU DOCKET NO. _____

NOTICE OF PUBLIC COMMENT HEARINGS

PLEASE TAKE NOTICE that on December __, 2017, South Jersey Industries, Inc. ("SJI"), ETG Acquisition Corp. and South Jersey Resources Group, LLC ("SJRG"),[1] together with Pivotal Utility Holdings, Inc. ("Pivotal") ("Joint Petitioners") submitted a Verified Joint Petition ("Joint Petition") to request approval by the New Jersey Board of Public Utilities ("Board" or "BPU") of the acquisition of control by ETG Acquisition Corp. of Pivotal's New Jersey utility operating division, Elizabethtown Gas ("Elizabethtown"), including the sale of substantially all of Elizabethtown's assets ("Acquisition") pursuant to N.J.S.A. 48:2-51.1, N.J.S.A. 48:3-7, N.J.A.C. 14:1-5.14, and N.J.A.C. 14:1-5.6. As described in the Joint Petition, the post-Acquisition Elizabethtown entity ("Elizabethtown Gas Company") will be owned by SJI Utilities, Inc., a wholly owned subsidiary of SJI. No rate changes are proposed in connection with the Acquisition. Elizabethtown Gas Company will provide service to customers pursuant to the current Tariff at current rates and terms and conditions of service.

The Board will evaluate the impact of the proposed Acquisition on competition, on the rates paid by Elizabethtown's customers, on the employees of Elizabethtown, and on the provision of safe and adequate utility service at just and reasonable rates. The Joint Petitioners state that the proposed Acquisition will not have an adverse impact on competition, rates, employees of Elizabethtown, or on the provision of safe, adequate and proper utility service, and instead will provide positive benefits for Elizabethtown, its customers and the State of New Jersey.

The Joint Petitioners also seek various related approvals including the approval of certain affiliate service agreements, a transfer of stock to effectuate a reorganization in connection with the Acquisition, the discontinuance by Pivotal of the provision of utility service, the corresponding adoption of the existing Elizabethtown Tariff by Elizabethtown Gas Company, certain accounting approvals and a request that the Board disclaim jurisdiction over the sale by Pivotal of certain assets located in Maryland or in the alternative, approve the sale of the Maryland assets.

A copy of this Notice is being served upon the municipal clerk and county administrator in each municipality and county in which Elizabethtown renders service, as well as on the public utilities serving within Elizabethtown's service territory. The Joint Petition, and this Notice, have been served upon the Director, Division of Rate Counsel, and the Department of Law and Public Safety. Copies of the Joint Petition are available for public inspection at Elizabethtown's business office, 520 Green Lane, Union, N.J. 07083, during normal business hours and on Elizabethtown's website at www.elizabethtowngas.com. A copy is also available at the Board of

[1] ETG Acquisition Corp. and SJRG are wholly owned subsidiaries of SJI.

Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, P.O. Box 350, Trenton, N.J. 08625-0350.

PLEASE TAKE FURTHER NOTICE that on ____ and ____, the Board will conduct public comment hearings regarding the Joint Petition. The public hearings will be held at the following locations at the dates and times indicated below:

Date: **TBD**
Time(s): **4:30 P.M. and 5:30 P.M.**
Place: Hunterdon County Complex, Building #1
314 State Route 12
Flemington, NJ 08822

Date: TBD
Time(s): **4:30 P.M. and 5:30 P.M.**
Place: Liberty Hall Corporate Center
1085 Morris Avenue
Union, NJ 07083

Members of the public will have an opportunity to be heard and/or submit written comments or statements at the public hearing, if they wish to do so; any such comments will be made part of the public record and will be considered by the Board prior to voting on the matter. The public hearing will continue at the foregoing date, time(s), and location until all persons timely appearing at the hearing have had a reasonable opportunity to be heard. Regardless of whether they attend the public hearings, members of the public may file written comments on the Merger. Written comments may be submitted to the attention of Irene Kim Asbury, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, P.O. Box 350, Trenton, N.J. 08625-0350. A copy should also be mailed to Elizabethtown Gas, 520 Green Lane, Union N.J. 07083, Attention: M. Patricia Keefe. Persons submitting written comments are asked to include Docket No. _____ in the "Subject" line of their submissions.

Please submit any requests for special accommodation to Elizabethtown at least 72 hours prior to the hearings by contacting Elizabethtown at 520 Green Lane, Union N.J. 07083, Attention: Ann Handlin, (908) 662-8453.

[DATE]

To: County Clerk, Municipal Clerk and County Administrator
Public Service Electric & Gas Company

IN THE MATTER OF THE ACQUISITION :
OF ELIZABETHTOWN GAS, A DIVISION :
OF PIVOTAL UTILITY HOLDINGS, INC. : BPU DOCKET NO.

EXHIBIT L

BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC. AND RELATED TRANSACTIONS :

Pursuant to law, South Jersey Industries, Inc. ("SJI"), ETG Acquisition Corp. and South Jersey Resources Group, LLC, together with Pivotal Utility Holdings, Inc. ("Pivotal") (collectively, the "Joint Petitioners") are providing you with notice of a filing made on December __, 2017 with the New Jersey Board of Public Utilities for approval of an acquisition of Elizabethtown Gas ("Elizabethtown"), a division of Pivotal, by ETG Acquisition Corp., a subsidiary of SJI and certain related approvals. You may download the filing from Elizabethtown's website at www.elizabethtowngas.com.

A public hearing related to this request has been scheduled for **(add date)** and the Joint Petitioners hereby serve upon you the notice of that hearing related to the above referenced matter. As noted on the attached copy of the public notice, the subject hearings are scheduled for ___ **(add date)** in Union, New Jersey and for ___ **(add date)** in Flemington, New Jersey.

Hard copies of the filing are available for review at Elizabethtown's Customer Service Offices and at the New Jersey Board of Public Utilities, 44 South Clinton Street, 3rd Floor, Suite 314, P.O. Box 350 Trenton, New Jersey 08450-0350.

Very truly yours,

Mary Patricia Keefe
Vice President, External Affairs
and Business Support

EXHIBIT M

South Jersey Gas Company Stock Transfer

Currently, 100% of the stock of South Jersey Gas Company (SJG) is owned by South Jersey Industries, Inc. (SJI). As proposed, SJI Utilities Inc. will be formed as a new wholly-owned subsidiary of SJI. Post-Acquisition, SJG, ETG Acquisition Corp. and Elkton Acquisition Corp. will be wholly owned subsidiaries of SJI Utilities, Inc. To effectuate this ownership structure, SJI will contribute 100% of its ownership interest in SJG to SJI Utilities, Inc., which will be its wholly-owned subsidiary.

SJG currently has 2,339,139 shares of common stock, par value $1.25, issued and outstanding.

EXHIBIT N

PRIVILEGED AND CONFIDENTIAL PURSUANT TO
COMMON INTEREST PRIVILEGE AND AGREEMENT

PROJECT SCARLET – DRAFT PROCEDURAL SCHEDULE

Action to Be Taken	Date
File Case	December 21, 2017
BPU Adopts Procedural Order and Appoints Commissioner to Hear Case	January 31, 2018
Last Day for Motions to Intervene/Participate	February 2, 2018
All Initial Discovery Requests Served	February 2, 2018
Response to Initial Discovery Requests Served	February 9, 2018
Second Round Discovery Requests Served	February 16, 2018
Discovery Technical/Settlement Conferences	Week of February 20, 2018
Responses to Second Round Discovery Served	February 23, 2018
Public Hearing(s)	Week of February 23, 2018
Rate Counsel/Intervenor Direct Testimony Filed	March 2, 2018
Discovery on Rate Counsel/Intervenor Testimony Served	March 9, 2018
Responses to Discovery Served	March 16, 2018
Petitioners' Rebuttal Filed	March 23, 2018
Discovery on Petitioners' Rebuttal Testimony Served	April 3, 2018
Responses to Discovery on Petitioners' Rebuttal Served	April 10, 2018
Settlement Conferences	April 16, 2018
Evidentiary Hearings – With Oral Surrebuttal	April 23, 2018
Accelerated Briefing Schedule	To be determined
BPU Decision	May 2018, BPU Agenda

EXHIBIT O

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC. AND RELATED TRANSACTIONS	**AGREEMENT OF NON-DISCLOSURE** **DOCKET NO.**

It is hereby AGREED, as of the ___ day of December, 2017, by and among South Jersey Industries, Inc., ETG Acquisition Corp., South Jersey Resources Group, LLC and Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Joint Petitioners"), the Staff of the New Jersey Board of Public Utilities ("Board Staff") and Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties"), who have agreed to execute this Agreement of Non-Disclosure of Information Claimed to be Confidential ("Agreement"), and to be bound thereby that:

WHEREAS, in connection with the above-captioned proceeding before the Board of Public Utilities (the "Board"), Joint Petitioners and/or another party ("Producing Party") may be requested or required to provide petitions, pre-filed testimony, other documents, analyses and/or other data or information regarding the subject matter of this proceeding that the Producing Party may claim constitutes or contains confidential, proprietary or trade secret information, or which otherwise may be claimed by the Producing Party to be of a market-sensitive, competitive, confidential or proprietary nature (hereinafter sometimes referred to as "Confidential Information" or "Information Claimed to be Confidential"); and

WHEREAS, the Parties wish to enter into this Agreement to facilitate the exchange of information while recognizing that under Board regulations at N.J.A.C. 14:1-12 et seq., a request for confidential treatment shall be submitted to the Custodian who is to rule on requests made

pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq., unless such information is to be kept confidential pursuant to court or administrative order (including, but not limited to, an Order by an Administrative Law Judge sealing the record or a portion thereof pursuant to N.J.A.C. 1:1-14.1, and the parties acknowledge that an Order by an Administrative Law Judge to seal the record is subject to modification by the Board), and also recognizing that a request may be made to designate any such purportedly confidential information as public through the course of this administrative proceeding; and

WHEREAS, the Parties acknowledge that unfiled discovery materials are not subject to public access under OPRA; and

WHEREAS, the Parties acknowledge that, despite each Party's best efforts to conduct a thorough pre-production review of all documents and electronically stored information ("ESI"), some work product material and/or privileged material ("protected material") may be inadvertently disclosed to another Party during the course of this proceeding; and

WHEREAS, the undersigned Parties desire to establish a mechanism to avoid waiver of privilege or any other applicable protective evidentiary doctrine as a result of the inadvertent disclosure of protected material;

NOW, THEREFORE, the Parties hereto, intending to be legally bound thereby, DO HEREBY AGREE as follows:

1. The inadvertent disclosure of any document or ESI which is subject to a legitimate claim that the document or ESI should have been withheld from disclosure as protected material shall not waive any privilege or other applicable protective doctrine for that document or ESI or for the subject matter of the inadvertently disclosed document or ESI if the Producing Party, upon

becoming aware of the disclosure, promptly requests its return and takes reasonable precautions to avoid such inadvertent disclosure.

2. Except in the event that the receiving party or parties disputes the claim, any documents or ESI which the Producing Party deems to contain inadvertently disclosed protected material shall be, upon written request, promptly returned to the Producing Party or destroyed at the Producing Party's option. This includes all copies, electronic or otherwise, of any such documents or ESI. In the event that the Producing Party requests destruction, the receiving party shall provide written confirmation of compliance within thirty (30) days of such written request. In the event that the receiving party disputes the Producing Party's claim as to the protected nature of the inadvertently disclosed material, a single set of copies may be sequestered and retained by and under the control of the receiving party until such time as the Producing Party has received final determination of the issue by the Board of Public Utilities or an Administrative Law Judge, provided that the Board has not modified or rejected an order by the Administrative Law Judge.

3. Any such protected material inadvertently disclosed by the Producing Party to the receiving party pursuant to this Agreement shall be and remain the property of the Producing Party.

4. Any Information Claimed to be Confidential that the Producing Party produces to any of the other Parties in connection with the above-captioned proceeding and pursuant to the terms of this Agreement shall be specifically identified and marked by the Producing Party as Confidential Information when provided hereunder. If only portions of a document are claimed to be confidential, the producing party shall specifically identify which portions of that document are claimed to be confidential. Additionally, any such Information Claimed to be Confidential shall be provided in the form and manner prescribed by the Board's regulations at N.J.A.C. 14:1-12 et seq., unless such information is to be kept confidential pursuant to court or administrative order.

However, nothing in this Agreement shall require the Producing Party to file a request with the Board's Custodian of Records for a confidentiality determination under N.J.A.C. 14:1-12 et seq. with respect to any Information Claimed to be Confidential that is provided in discovery and not filed with the Board.

5. With respect to documents identified and marked as Confidential Information, if the Producing Party's intention is that not all of the information contained therein should be given protected status, the Producing Party shall indicate which portions of such documents contain the Confidential Information in accordance with the Board's regulations at N.J.A.C. 14:1-12.2 and 12.3. Additionally, the Producing Party shall provide to all signatories of this Agreement full and complete copies of both the proposed public version and the proposed confidential version of any information for which confidential status is sought.

6. With respect to all Information Claimed to be Confidential, it is further agreed that:

(a) Access to the documents designated as Confidential Information, and to the information contained therein, shall be limited to the Party signatories to this Agreement and their identified attorneys, employees, and consultants whose examination of the Information Claimed to be Confidential is required for the conduct of this particular proceeding.

(b) Recipients of Confidential Information shall not disclose the contents of the documents produced pursuant to this Agreement to any person(s) other than their identified employees and any identified experts and consultants whom they may retain in connection with this proceeding, irrespective of whether any such expert is retained specially and is not expected to testify, or is called to testify in this proceeding. All consultants or experts of any Party to this Agreement who are to receive copies of documents produced pursuant to this Agreement shall have previously executed a copy of the Acknowledgement of Agreement attached

hereto as "Attachment 1", which executed Acknowledgement of Agreement shall be forthwith provided to counsel for the Producing Party, with copies to counsel for Board Staff and the Rate Counsel.

(c) No other disclosure of Information Claimed to be Confidential shall be made to any person or entity except with the express written consent of the Producing Party or their counsel, or upon further determination by the Custodian, or order of the Board, the Government Records Council or of any court of competent jurisdiction that may review these matters.

7. The undersigned Parties have executed this Agreement for the exchange of Information Claimed to be Confidential only to the extent that it does not contradict or in any way restrict any applicable Agency Custodian, the Government Records Council, an Administrative Law Judge of the State of New Jersey, the Board, or any court of competent jurisdiction from conducting appropriate analysis and making a determination as to the confidential nature of said information, where a request is made pursuant to OPRA, N.J.S.A. 47:1A-1 et seq. Absent a determination by any applicable Custodian, Government Records Council, an Administrative Law Judge, the Board, or any court of competent jurisdiction that a document(s) is to be made public, the treatment of the documents exchanged during the course of this proceeding and any subsequent appeals is to be governed by the terms of this Agreement.

8. In the absence of a decision by the Custodian, Government Records Council, an Administrative Law Judge, or any court of competent jurisdiction, the acceptance by the undersigned Parties of information which the Producing Party has identified and marked as Confidential Information shall not serve to create a presumption that the material is in fact entitled to any special status in these or any other proceedings. Likewise, the affidavit(s) submitted

pursuant to N.J.A.C. 14:1-12.8 shall not alone be presumed to constitute adequate proof that the Producing Party is entitled to a protective order for any of the information provided hereunder.

9. In the event that any Party seeks to use the Information Claimed to be Confidential in the course of any hearings or as part of the record of this proceeding, the Parties shall seek a determination by the trier of fact as to whether the portion of the record containing the Information Claimed to be Confidential should be placed under seal. Furthermore, if any Party wishes to challenge the Producing Party's designation of the material as Confidential Information, such Party shall provide reasonable notice to all other Parties of such challenge and the Producing Party may make a motion seeking a protective order. In the event of such challenge to the designation of material as Confidential Information, the Producing Party, as the provider of the Information Claimed to be Confidential, shall have the burden of proving that the material is entitled to protected status. However, all Parties shall continue to treat the material as Confidential Information in accordance with the terms of this Agreement, pending resolution of the dispute as to its status by the trier of fact.

10. Confidential Information that is placed on the record of this proceeding under seal pursuant to a protective order issued by the Board, an Administrative Law Judge, provided that the Board has not modified or rejected an order by the Administrative Law Judge, or any court of competent jurisdiction shall remain with the Board under seal after the conclusion of this proceeding. If such Confidential Information is provided to appellate courts for the purposes of an appeal(s) from this proceeding, such information shall be provided, and shall continue to remain, under seal.

11. This Agreement shall not:

(a) Operate as an admission for any purpose that any documents or information produced pursuant to this Agreement are admissible or inadmissible in any proceeding;

(b) Prejudice in any way the right of the Parties, at any time, on notice given in accordance with the rules of the Board, to seek appropriate relief in the exercise of discretion by the Board for violations of any provision of this Agreement.

12. Within forty five (45) days of the final Board Order resolving the above-referenced proceeding, all documents, materials and other information designated as "Confidential Information," regardless of format, shall be destroyed or returned to counsel for the Producing Party. In the event that such Board Order is appealed, the documents and materials designated as "Confidential Information" shall be returned to counsel for the Producing Party or destroyed within forty-five (45) days of the conclusion of the appeal.

Notwithstanding the above return requirement, Board Staff and Rate Counsel may maintain in their files copies of all pleadings, briefs, transcripts, discovery and other documents, materials and information designated as "Confidential Information," regardless of format, exchanged or otherwise produced during these proceedings, provided that all such information and/or materials that contain Information Claimed to be Confidential shall remain subject to the terms of this Agreement. The Producing Party may request consultants who received Confidential Information who have not returned such material to counsel for the Producing Party as required above to certify in writing to counsel for the Producing Party that the terms of this Agreement have been met upon resolution of the proceeding.

13. The execution of this Agreement shall not prejudice the rights of any Party to seek relief from discovery under any applicable law providing relief from discovery.

14. The Parties agree that one original of this Agreement shall be created for each of the signatory parties for the convenience of all. The signature pages of each original shall be executed by the recipient and transmitted to counsel of record for Joint Petitioners, who shall send a copy of the fully executed document to all counsel of record. The multiple signature pages shall be regarded as, and given the same effect as, a single page executed by all Parties.

IN WITNESS THEREOF, the undersigned Parties do HEREBY AGREE to the form and execution of this Agreement.

SOUTH JERSEY INDUSTRIES, INC, ETG ACQUISITION CORP., AND SOUTH JERSEY RESOURCES GROUP, LLC

By:_____
Ira G. Megdal

Date: December ___, 2017

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS

By:_____

Date: December ___, 2017

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL
OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

By:_____

Deputy Attorney General

Date: December ___, 2017

STEFANIE A. BRAND, ESQUIRE
DIRECTOR
DIVISION OF RATE COUNSEL

By:_____

Assistant Deputy Rate Counsel

Date: December ____, 2017

EXHIBIT O

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC. AND RELATED TRANSACTIONS	**AGREEMENT OF NON-DISCLOSURE** **DOCKET NO.**

ACKNOWLEDGMENT OF AGREEMENT

The undersigned is an attorney, employee, consultant and/or expert witness for the Division of Rate Counsel or an intervenor who has received, or is expected to receive, Confidential Information provided by South Jersey Industries, Inc., ETG Acquisition Corp., South Jersey Resources Group, LLC, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas or by another party (Producing Party) which has been identified and marked by the Producing Party as "Confidential Information." The undersigned acknowledges receipt of the Agreement of Non-Disclosure of Information Claimed to be Confidential and agrees to be bound by the terms of the Agreement.

Dated:

By:_____

Name:

Title:

Affiliation:

M.RENNA

BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC., AND RELATED TRANSACTIONS

BPU DOCKET NO. _____

DIRECT TESTIMONY OF

MICHAEL J. RENNA
PRESIDENT AND CHIEF EXECUTIVE OFFICER
SOUTH JERSEY INDUSTRIES, INC.

DATED: December 21, 2017

TABLE OF CONTENTS

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Michael J. Renna. My business address is 1 South Jersey Plaza, Folsom, New Jersey 08037.

Q. By whom are you employed and in what capacity?

A. I am the President and Chief Executive Officer ("CEO") of South Jersey Industries, Inc. ("SJI") and a member of SJI's Board of Directors. In that capacity, I am responsible for the overall executive leadership of SJI.

Q. Please describe your educational background.

A. I am 1991 graduate of the University of Delaware, where I earned my undergraduate degree in finance. I also obtained a Master of Business Administration degree from Cornell University.

Q. Please describe your professional experience and affiliations.

A. I joined SJI in 1998 as Manager, Product & Services Department and advanced through a number of managerial and professional positions. These positions included Director, Business and Market Development (from 1998-2001) and Vice President, South Jersey Energy Company (from 2001-2004). Before taking on my leadership role at SJI (from 2006-2013), I held the titles of President of South Jersey Energy Solutions and South Jersey Energy, the Northeast region's largest energy marketer. In November 2012, I was appointed to the South Jersey Energy Solutions executive committee and, in 2014, the SJI Board of Directors.

In addition, I hold several positions outside of SJI. I currently serve on the Board of Directors of the New Jersey Chamber of Commerce, the United Way of Greater Philadelphia and Southern New Jersey, and Choose Jersey. I sit on the Boards of

Trustees for The Hun School of Princeton and Monmouth University. I am a member of the Steering Committee for the William J. Hughes Center for Public Policy at Stockton University and participate in the University of Delaware's Student Mentoring Program.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to aid the New Jersey Board of Public Utilities ("Board" or "BPU") in its consideration of SJI's proposed acquisition of Elizabethtown Gas ("Elizabethtown"), an operating division of Pivotal Utility Holdings, Inc. ("Acquisition") by: (i) explaining SJI's basis for the Acquisition; (ii) providing an overview of SJI and its subsidiaries; (iii) describing the structure of the Acquisition; and (iv) identifying the commitments that SJI is making in this proceeding, along with describing the positive benefits that will inure to Elizabethtown's customers and to New Jersey as a result of the proposed Acquisition. Witnesses David Robbins, Jr., Senior Vice President of SJI and President of South Jersey Gas Company ("South Jersey Gas") and Brian MacLean, President of Elizabethtown, explain in their testimony why the proposed Acquisition will not have any adverse impacts on competition, rates, the provision of safe, adequate and reliable service or employees.

II. STRATEGIC BASIS FOR THE ACQUISITION

Q. Can you explain SJI's strategic basis for the proposed Acquisition?

A. SJI is extremely excited about the proposed Acquisition, including the opportunity to learn from and grow with Elizabethtown in the years to come. Indeed, these are exciting times for SJI, Elizabethtown and the State of New Jersey. For SJI, the Acquisition presented an opportunity for us to sharpen our focus on regulated investments. We believe that enlarging our ownership and operation of local gas distribution companies

will enhance our financial strength and help ensure continued access to capital at favorable rates.

Q. Please explain.

A. The proposed Acquisition will return a once New Jersey-owned and operated utility back under New Jersey control. As a result, the customers of Elizabethtown, and the State as a whole, will realize several meaningful benefits including the creation of incremental full-time jobs, the continued enhancement of SJI's and Elizabethtown's strong local ties and relationships, and the opportunity for increased safety and reliability and a sharing of information by our operating utilities. To this end, the Acquisition will allow our New Jersey utilities to share employees and resources during times of emergency, enhancing safety and reliability. It will also permit our utilities to learn from each other by sharing their complementary knowledge, experience, information, and best practices regarding natural gas public utility service. This cross-fertilization will be beneficial to each utility and their respective customers. The proposed Acquisition also provides SJI with the opportunity to make further financial investments in the State and enlarge its role in giving back to the communities we serve. We are thrilled to be able to bring these opportunities to New Jersey and we are eager to move forward to realize our goals.

Q. Is SJI proposing any commitments in connection with the proposed Acquisition to ensure that it will be beneficial and not result in adverse impacts?

A. Yes. To ensure that the proposed Acquisition will yield positive benefits and not cause adverse impacts to competition, rates, utility service or employees, we are proposing a comprehensive suite of commitments that are listed in full on Exhibit A to the Joint Petition. These commitments are discussed later in my testimony.

Q. Why is Elizabethtown an attractive Acquisition candidate for SJI?

A. Elizabethtown is an attractive acquisition candidate because its priorities and business cultures are very similar to our own. As Mr. MacLean notes, Elizabethtown's business model is based upon three core values: the provision of safe and reliable service at just and reasonable rates, a strong commitment to excellent customer service, and robust investment in utility infrastructure. Our core values are essentially the same as Elizabethtown's, with safe, reliable service at just and reasonable rates at the forefront of our commitment to employees and customers alike. Moreover, SJI has particularly strong infrastructure experience. Since 2009, we have made significant investments in South Jersey Gas's infrastructure, including over $400 million to replace approximately 750 miles of main in South Jersey Gas's service territory. We are proud of our ability to deliver infrastructure projects in a timely manner and at reasonable costs. In addition, like Elizabethtown, SJI is dedicated to supporting and giving back in the communities it serves. I provide more background information about SJI, its affiliates and corporate culture later in my testimony.

I was pleased to read in the testimony of Brian MacLean, President of Elizabethtown, that he views SJI as a well-known and experienced New Jersey energy holding company with a culture similar to the one under which Elizabethtown operates today. He correctly states that SJI is fully capable of continuing Elizabethtown's commitments to provide safe and reliable service, delivering excellent customer service, and continuing to invest in Elizabethtown's utility infrastructure. Once again, we have made a number of operational commitments regarding service and infrastructure investment.

Q. Mr. Renna, how do you feel about working with Elizabethtown's work force?

A. We are particularly excited to work with the Elizabethtown employees, who, as I discuss later in my testimony, will stay with Elizabethtown after the closing of the Acquisition (the "Closing"). Among these employees are Brian MacLean, the President of Elizabethtown and Mary Patricia Keefe, Vice President, External Affairs and Business Support of Elizabethtown. They are both well-respected in the New Jersey utility and regulatory communities. Likewise, Elizabethtown's customer service employees have demonstrated superior customer service qualities recognized by Elizabethtown's best-in-class J.D. Power and Associates achievements. We are eager to commence work with Elizabethtown's workforce and view each employee as a positive addition to the SJI family.

III. OVERVIEW OF SJI AND ITS AFFILIATES

Q. Please provide an overview of SJI.

A. SJI is a New Jersey-based energy services holding company. SJI delivers energy solutions to its customers through three primary subsidiaries. The first, South Jersey Gas, is a regulated utility of the State of New Jersey, which delivers safe, reliable, affordable natural gas and promotes energy efficiency to approximately 382,000 customers in all or portions of the seven southernmost counties of New Jersey. South Jersey Gas plays a significant role in maintaining employment, facilitating job creation, and supporting the economy of New Jersey, particularly the South Jersey region. SJI is well aware of its important role in New Jersey's energy policy and initiatives, and is committed to supporting them. This is demonstrated by the numerous honors conferred upon SJI including, Public Utilities Fortnightly's "Top 40 Companies;" Safety Achievement

Award by the American Gas Association; Gender Diversity Award by the Executive Women of New Jersey; Community Champion Award by the United Way of Greater Philadelphia and Southern New Jersey; Urban Investment Award by the Southern New Jersey Development Council; and the New Jersey Leading Infrastructure Project Award by the New Jersey Alliance for Action. These are just a few of our many achievements that we are proud to be a part of.

SJI's non-utility businesses promote savings, efficiency, clean technology, and renewable energy by providing customized wholesale commodity marketing and fuel management services, acquiring and marketing natural gas and electricity for retail customers, and developing, owning and operating on-site energy production facilities.

Our largest non-regulated business, South Jersey Resources Group ("SJRG"), is one of the longest-operating wholesale marketing companies in the mid-Atlantic region and is a recognized leader in the energy industry. Since SJRG commenced operations, it has consistently provided to its customers the innovative, natural gas solutions they require. SJRG provides the following services to its customer base throughout the country:

- Natural gas commodity services;
- Natural gas storage;
- Wholesale marketing; and
- Natural gas transportation.

SJRG customers include Fortune 500 companies, energy marketers, natural gas utilities, electric utilities, and natural gas producers. SJRG holds natural gas assets under its name and has extensive experience in managing natural gas assets.

Another SJI subsidiary, SJI Midstream, invests in interstate pipeline projects.

Q. What is SJI's experience running natural gas utility companies?

A. SJI traces its roots back to 1910 when Atlantic City Gas and Water Company merged with Atlantic City Gas Company. This was the first in a series of acquisitions that eventually created South Jersey Gas in 1948, a regulated utility serving all or parts of the seven southern counties in New Jersey.

During the 1950s, South Jersey Gas continued to acquire smaller gas companies in Cumberland and Salem counties and in 1983, South Jersey Gas purchased its Cape May county division from New Jersey Natural Gas Company. In 1969, the South Jersey Gas board of directors and management decided to engage in other business lines that South Jersey Gas could not participate in as a regulated utility. Thus, SJI was incorporated as a holding company, and in 1970, South Jersey Gas became its primary subsidiary.

South Jersey Gas is the core of our business, employing 526 of SJI's 753 total employees and accounting for approximately 80% of SJI's total capital expenditures in 2017. All of our existing employees play a key role in assuring the success of our continuing operations. As discussed more fully below, we are committing to employee headcount levels and job creation relating to the relocation of certain services to New Jersey that are currently performed outside the State. The specific employee and job growth commitments we are making are discussed later in my testimony.

Q. Please explain SJI's philosophies regarding utility operations.

A. SJI recognizes that as a natural gas utility it has a unique responsibility to its customers, its employees, the community and the public. A culture driven by safety, reliability,

customer service, and giving back to the community is woven throughout our organization. As I noted earlier, we have made substantial investments in improving the safety of our customers and our employees, including investments in modernizing and improving the reliability and resiliency of our natural gas distribution system. This investment has resulted in significant leak reductions and created a system where we experience little to no service interruptions during severe weather events. With these investments, we are upholding our obligation to provide safe and reliable service to our customers while simultaneously improving the overall welfare of the communities we serve.

We are also making significant investments in improving our customers' experience through training, technology, and process improvements. An outstanding customer experience is the responsibility of every employee, and it is my belief that it is incumbent upon every employee, contractor and vendor to ensure that our customers are treated fairly and respectfully.

Following the proposed Acquisition, we expect Elizabethtown customers to receive the same level of exceptional customer service they currently receive and depend on today. Likewise, building stronger communities through social investments will remain a priority in all areas we serve. SJI's charitable giving has exceeded $500,000 annually for the last three years and we expect to exceed these contributions in the years to come. SJI is making a commitment to maintain Elizabethtown's community support contributions as described below.

IV. STRUCTURE OF THE ACQUISITION

Q. Please describe the structure of the proposed Acquisition.

A. On October 15, 2017, SJI and Pivotal entered into an Asset Purchase Agreement ("APA") by which SJI, or its assignee, agreed to purchase substantially all of the assets of Elizabethtown. SJI has assigned its rights and obligations to ETG Acquisition Corp., which was formed for the purpose of purchasing the Elizabethtown assets. Following closing of the transaction, the ETG Acquisition Corp. name will be changed to Elizabethtown Gas Company. It is important to us that the Elizabethtown name and brand continue on, so that its customers and other stakeholders continue to recognize the name and services that they have trusted for so many years. Since the post-Closing Elizabethtown entity will operate under a name similar to the name under which Pivotal does business today, I refer to the post-Closing entity as Elizabethtown in my testimony.

As part of the Acquisition, SJI will also form a new utility holding company, SJI Utilities, Inc. ("SJI Utilities") that will own South Jersey Gas, Elizabethtown and Elkton Gas, a Maryland natural gas utility that SJI is also purchasing as part of this transaction. Since all outstanding stock of South Jersey Gas is currently owned by SJI, to achieve this new ownership structure, SJI Utilities will acquire South Jersey Gas through a contribution from SJI. Formation of this new utility holding company, SJI Utilities, is a common corporate structure for companies like SJI and separates SJI's utility companies from its unregulated businesses.

Q. Has the Acquisition been approved by SJI?

A. Yes. The board of directors of SJI approved the Acquisition on October 15, 2017.

V. COMMITMENTS MADE BY SJI AND BENEFITS OF THE ACQUISITION

Q. Please discuss the commitments SJI proposes to make in connection with the Acquisition.

A. As I noted earlier, SJI proposes to make several significant commitments in connection with the Acquisition. I address a number of them below, and Exhibit A contains a full list of the commitments that SJI is making in relation to the Acquisition. These commitments will help ensure against adverse impacts and yield positive benefits to customers and the State of New Jersey.

Q. Does SJI propose to make any rate-related commitments in connection with the Acquisition?

A. Yes. Through SJRG, a one-time rate credit of $5 million will be provided to Elizabethtown Basic Gas Supply Service ("BGSS") customers within 90 days post-Closing. SJRG will also make minimum annual BGSS credits of $4.25 million. This is a commitment that will provide a direct, quantifiable benefit to Elizabethtown customers. Messrs. Robbins, MacLean,and Nuzzo provide further information about this commitment in their Direct Testimony.

In addition, as discussed by Mr. Robbins, SJI is making certain ratemaking commitments that will help ensure that there will be no adverse impacts to rates as a result of the Acquisition. These include commitments that: (1) to the extent any savings are realized by Elizabethtown as a result of the Acquisition, those savings, net of the costs to achieve, will be passed on to Elizabethtown's customers through the normal base rate case process; (2) Elizabethtown will file its next base rate case no later than June 2020; (3) Elizabethtown will not seek to recover in rates any premium paid for assets acquired by the acquisition or good will arising from the Acquisition, in the form of an acquisition adjustment or otherwise; (4) Elizabethtown will not seek to recover any transaction costs (as defined in Exhibit A) in connection with the Acquisition; (5)

Elizabethtown's existing ratemaking capital structure ratios of debt and equity will not change in connection with the Acquisition; and (6) Elizabethtown will not issue equity in connection with the Acquisition.

Q. Is SJI making commitments concerning job growth?

A. Yes. For three years following the Closing, SJI will maintain a minimum of 330 employees in New Jersey to provide services to Elizabethtown currently performed in New Jersey. In addition, SJI, SJIU and Elizabethtown will add a significant number of new employees to New Jersey over and above the 330 employee commitment. This commitment provides an important benefit to the New Jersey economy, as the proposed Acquisition will create much-needed jobs in New Jersey by virtue of moving multiple corporate functions to New Jersey from other states, including Georgia, Illinois, and Virginia. Several utility functions, such as billing, collection, dispatch, human resources, information technology and many others provided by employees in other states and paid for by Elizabethtown customers today will instead be performed by incremental employees in New Jersey after the Closing, thereby restoring control of these functions to New Jersey and creating jobs. The job creation that will result from the relocation of these positions to New Jersey is an important and meaningful benefit to the State.

Q. Is SJI making any employee and operational related commitments?

A. Yes, quite a number of them. Prior to Closing, SJI will make offers of employment to all then-current Elizabethtown employees on terms and at compensation and benefit levels comparable to their then-existing terms and compensation and benefit levels. In addition, for three years following the Closing, SJI (or an affiliate) will maintain a minimum of 330 employees in New Jersey to support Elizabethtown's operations. SJI will also honor

all of Elizabethtown's existing collective bargaining agreements in effect at the time of the Closing and assume all obligations to Elizabethtown's employees and retirees with respect to pension benefits. SJI will maintain Elizabethtown's local core management team following the Closing. SJI will also maintain Elizabethtown's field service centers, call center, walk-in payment centers and Union, New Jersey headquarters for a period of at least three years after the Closing. These commitments will help facilitate a seamless transition for customers and employees alike.

Q. Is SJI making any commitments involving community giving?

A. Yes. SJI believes in being a good corporate citizen by giving back to the communities it serves. SJI has provided millions of dollars in financial support to local nonprofit, business and civic organizations and, over the last three years, has provided over $500,000 per year in charitable, civic and educational contributions. As Mr. MacLean states in his testimony, Elizabethtown employees are involved with many different community and non-profit organizations and volunteer throughout the local community, freely donating time and talent to a number of causes, including mentoring programs, clothing drives, food drives, blood drives and cancer walks. They also participate in chambers of commerce and economic development organizations. This is all consistent with the objectives and commitments of SJI, and we will continue to encourage civic involvement at Elizabethtown once the Acquisition is completed. Indeed, SJI is committed to maintaining Elizabethtown's current level of community support contributions of $190,000 per year for a period of five (5) years following Closing. Community support projects could include charitable, workforce development, and economic development efforts.

Q. Beyond the rate credit mentioned above, are there other benefits that will flow to Elizabethtown customers and to New Jersey as a result of the Acquisition?

A. Yes. As I noted earlier in my testimony, restoring control and management of Elizabethtown to a New Jersey-based owner, with a longstanding commitment to the success of this State, is very beneficial to Elizabethtown's customers and to the State. SJI is proud of the constructive relationships it has developed with its regulators over its many years of operation. The Acquisition presents an opportunity to solidify SJI's and Elizabethtown's strong local connections and relationships. SJI intends to continue these constructive and open connections and relationships as the owner of Elizabethtown.

As noted earlier, I also believe that the Acquisition presents opportunities for our utilities to learn from each other and share resources during critical times. These opportunities present benefits for our operating utilities and their customers.

Finally, and importantly, the proposed Acquisition provides SJI with the opportunity to expand its financial investments in the State. SJI has demonstrated its deep commitment to New Jersey by virtue of the significant investments it has made, and SJI intends to continue to make substantial investments in its infrastructure, its customers, its employees and the communities it serves. SJI commits to provide Elizabethtown with the resources necessary to invest in capital and infrastructure projects to help ensure that Elizabethtown can continue to provide safe and reliable utility service.

Q. Has SJI taken steps to ensure that there will not be any missteps during the transition period from Pivotal to SJI?

A. Yes. Continuity of business operations, particularly with regard to customer service, is the highest priority for both SJI and Elizabethtown. Southern and SJI are working

diligently on transition plans to aid in a seamless transition from day one of operations, through a limited transition period, and beyond. We plan to put a transition services agreement in place, whereby during the transition period following closing, Pivotal (or an affiliate) will provide certain services to Elizabethtown. As reflected in this filing, we are also proposing to put in place certain agreements post-Closing. These are: a Master Services Agreement and a Shared Service Agreement, both of which provide for services to Elizabethtown. These services and agreements are described in greater detail by Mr. MacLean's and Mr. Robbin's Direct Testimony.

Q. Mr. MacLean asserts that Elizabethtown and SJI are very compatible companies. Would you agree?

A. Yes, as Mr. MacLean notes, SJI has demonstrated its ability to manage and support a gas distribution operation in New Jersey. South Jersey Gas has a solid reputation, a strong operating record, and has core values and a corporate culture that are similar to Elizabethtown's corporate culture. He correctly notes that SJI is focused on the business of operating and owning local, New Jersey distribution companies for the long term. Mr. MacLean states that SJI's dedication, combined with SJI's utility experience, make SJI an ideal fit. We at SJI completely agree.

Q. What else can you add in support of this filing?

A. Overall, SJI is extremely excited to move forward with the Acquisition and all the opportunities and positive benefits that will flow from the Acquisition to SJI, Elizabethtown's customers and the State of New Jersey. We look forward to learning from Elizabethtown and sharing our experiences and expertise to the benefit of both companies.

Q. Does this conclude your direct testimony?

A. Yes.

B.MACLEAN

BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC. AND RELATED TRANSACTIONS

BPU DOCKET NO. _____

DIRECT TESTIMONY OF

BRIAN MACLEAN
PRESIDENT
PIVOTAL UTILITY HOLDINGS, INC. D/B/A/ ELIZABETHTOWN GAS

DATED: December 21, 2017

TABLE OF CONTENTS

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Brian MacLean. My business address is 520 Green Lane, Union, New Jersey 07083.

Q. By whom are you employed and in what capacity?

A. I am employed by Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") as President. Elizabethtown is an operating division of Pivotal Utility Holdings, Inc. ("Pivotal").

Q. What are your duties in your position as President of Elizabethtown?

A. As President of Elizabethtown, I am responsible for the day-to-day operations of Elizabethtown, including ensuring safety, compliance, operational excellence and financial integrity. In this capacity, I oversee all aspects of Elizabethtown's operations.

Q. Please summarize your educational background and experience.

A. I have been employed by Southern Company Gas ("SCG") (formerly AGL Resources Inc. ("AGL Resources")), Elizabethtown's parent company, now a wholly owned subsidiary of The Southern Company ("Southern Company"), for more than 19 years. The merger of Southern Company and AGL Resources was completed in July 2016 after approval of the transaction by the New Jersey Board of Public Utilities ("Board") in June 2016 in BPU Docket No. GM15101196 ("Southern/AGL Merger Order").

Prior to assuming my current position, I served as the Vice President of Operations for Elizabethtown. In that role, I was responsible for all aspects of local operations, including managing distribution, field service, and meter reading functions. Prior to that, I served as Region Manager for Elizabethtown. With a focus on safety,

compliance and operational quality, I was responsible for all aspects of local operations, including distribution. Prior to that, I served as Managing Director, Business Process Improvement and Business Systems Support for SCG. In this capacity I was responsible for identifying and implementing process improvement initiatives designed to decrease operating expenses while improving safety and customer service. Earlier I served as Managing Director, Operations Management for SCG. In that role, my responsibilities included providing support for SCG's utilities in six states in areas such as preventative and corrective maintenance programs for transmission and distribution systems, and the development of safety, risk management and total quality programs. I began my career with SCG by working in various roles at Virginia Natural Gas, including Region Manager, Southern Operations.

I earned my undergraduate degree from the University of Prince Edward Island. I also completed an Electrical Engineering Technology Co-Op program at NASA Langley Research Center. I also hold multiple professional certifications in corrosion control, process control and instrumentation, and information technology from NACE International, the Instrument Society of America, and Microsoft.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your Direct Testimony?

A. The purpose of my Direct Testimony is to discuss the benefits and impacts arising from the proposed acquisition (the "Acquisition") by South Jersey Industries, Inc. ("SJI") of Elizabethtown as described in this filing. Specifically, I will provide background information concerning the Acquisition and Elizabethtown's operations, discuss the positive benefits that will flow to customers and the State of New Jersey as a result of the

Acquisition, and explain why the Acquisition will have no adverse impacts on rates, the provision of safe, adequate and proper utility service, employees or competition, and is otherwise in the public interest. I also support Pivotal's request to discontinue its service to customers in New Jersey and to be relieved of all obligations imposed under Elizabethtown's existing tariff and prior BPU orders. Finally, to the extent needed, I also support the request that the Board approve the sale by Pivotal to SJI of the assets of Elkton Gas ("Elkton"), the Maryland utility operating division of Pivotal that is described further below.

Q. Please summarize the conclusions of your Direct Testimony.

A. I believe that SJI, a well-known and experienced New Jersey energy holding company that has provided reliable utility service to the State and the local communities for many years, is completely capable of continuing Elizabethtown's commitments to providing safe and reliable service, delivering excellent customer service and continuing to invest in Elizabethtown's utility infrastructure. I further believe that the proposed Acquisition, which will result in Elizabethtown being owned by a New Jersey-based holding company, will yield positive benefits for customers and the State of New Jersey and that these benefits will be realized without any adverse impacts on rates, the provision of utility service at just and reasonable rates, employees or competition. For all the reasons described in my Direct Testimony, as well as those set forth in the Direct Testimony of the Joint Petitioners' witnesses Michael J. Renna, David Robbins, Jr., Ann T. Anthony and Gregory M. Nuzzo, I conclude that the Acquisition and Pivotal's request to discontinue its service and to be relieved of its tariff and other public utility obligations are in the public interest and should be approved by the Board. I further conclude that to

the extent required, the Board should approve the sale of the Elkton assets from Pivotal to SJI.

III. BACKGROUND

Q. Please describe Elizabethtown's service territory and operations.

A. Elizabethtown was founded in 1855 to fuel the 300 gaslights that then lined the streets of the City of Elizabeth. Today, Elizabethtown provides natural gas distribution service to approximately 288,000 residential, business and industrial customers in seven counties in two areas of New Jersey: the Union and Northwest Divisions.

The Union Division, which encompasses the eastern portion of Elizabethtown's service territory, consists of 131 square miles and covers portions of Union and Middlesex Counties. The Northwest Division, which encompasses the northwest portion of the Company's service territory, consists of 1,373 square miles and covers portions of Sussex, Warren, Hunterdon, Mercer and Morris counties. Elizabethtown provides bundled sales service (*i.e.*, service that involves both the transportation of gas to the end user and the sale of the gas itself) and transportation service (*i.e.*, service that principally involves the transport and delivery of gas provided by others) to customers in the Union and Northwest Divisions. In 2016, Elizabethtown delivered approximately 48.9 billion cubic feet (Bcf) of natural gas through its system, including approximately 3,200 miles of distribution main and 15 miles of transmission pipeline. Approximately 45.5% of Elizabethtown's volume is sold and transported to residential customers and 54.5% is sold and transported to commercial and industrial customers.

Elizabethtown's franchise rights arise out of a combination of municipal consents issued by various municipalities and special acts of the New Jersey legislature passed in

the 1800s. Joint Petitioners are in the process of securing certain municipal consents that are needed to effectuate the transfer of certain of these franchise rights. Elizabethtown is also in the process of obtaining consents that are required to transfer certain railroad licenses and easements.

Q. Please describe Elizabethtown's organizational structure, its operations and the workforce that supports these operations.

A. Elizabethtown is a division of Pivotal, which is an indirect, wholly-owned subsidiary of SCG. In addition to Elizabethtown, Pivotal has operating divisions in Maryland (Elkton) and Florida. AGL Resources acquired Elizabethtown in 2004 as part of its acquisition of NUI Corporation and, as noted earlier, in July 2016, Southern Company acquired SCG and its indirect subsidiary, Elizabethtown, as part of the merger of AGL Resources and Southern Company.

Elizabethtown's day-to-day operations are independently run with oversight from SCG. For example, Elizabethtown makes local operational decisions, including preparing its own capital and operations and maintenance expense budgets. SCG's role in managing Elizabethtown is to offer assistance, whether financial, operational, or otherwise, to ensure that Elizabethtown continues to provide safe, adequate, and proper service at just and reasonable rates.

Elizabethtown maintains separate headquarters from SCG and operates a local call center, five field service centers and two walk-in payment centers at various locations throughout its service territories in New Jersey. Our Green Lane location in Union, New Jersey serves as our headquarters, the call center and a field service center facility. Elizabethtown's other field service centers are located in Newton, Stewartsville,

Flemington and Elizabeth, and our customer walk-in payment centers are in Elizabeth and Perth Amboy. The Elizabethtown workforce includes a significant number of union workers from Utility Workers of America, New Jersey Local 424. These union employees are engaged in utility operations roles such as meter reading, pipeline operations, maintenance and construction, and transmission operations.

Q. Does Elizabethtown currently receive shared services from SCG?

A. Yes. SCG provides administrative, management and other services to Elizabethtown through AGL Services Company, Inc. ("AGSC"). AGSC provides Elizabethtown with a number of services including accounting, finance, tax, legal, information technology, engineering, purchasing, pipeline capacity and gas supply management, and human resources-related services. The Board authorized Elizabethtown to enter into a service agreement with AGSC when the Board approved AGL Resources' acquisition of NUI Corporation.

Q. How are gas supply and upstream pipeline capacity management services provided to Elizabethtown?

A. Gas supply and upstream pipeline capacity management services are provided to Elizabethtown by another subsidiary of SCG, Sequent Energy Management L.P. ("Sequent") pursuant to a Board-approved Asset Management Agreement ("SEM AMA"). Under the SEM AMA, Sequent provides Elizabethtown with firm gas supply at published market prices up to the amount of the pipeline capacity that Sequent manages under the SEM AMA. Sequent also seeks to maximize the value of Elizabethtown's portfolio of upstream pipeline transportation and storage contracts through capacity management transactions and shares the majority of the margins from these transactions

with Elizabethtown's customers through credits applied to Elizabethtown's Basic Gas Supply Service ("BGSS") rate.

Q. Please briefly describe Elizabethtown's operational focus.

A. Elizabethtown's business model is based on three core values: the provision of safe and reliable service at just and reasonable rates, a strong commitment to excellent customer service, and robust investment in regulated utility infrastructure. Our commitment to these values has produced numerous positive operational results, examples of which include:

- By the end of 2017, we will have invested over $400 million for approximately 300 miles of gas distribution infrastructure in New Jersey to facilitate the continued safe and reliable operation of Elizabethtown's gas distribution facilities;
- Our customer satisfaction surveys concerning service provided by telephone representatives and field personnel that are filed with the Board show overall positive results;
- Our performance under the customer service metrics that were established in the Company's 2009 base rate case in BPU GR05030195 indicate overall strong results;
- As evidence of our culture of continuous improvement and our plan to improve our leak response time performance in our Northwest Division, our emergency response times within 60 minutes reached a historically high level of 97% in 2017 (year to date);
- With a strong focus on safety, our damage rates per 1,000 locates are near an all-time low, our employee on the job injuries are near an all-time low since 2005, and motor vehicle accident rates have steadily improved since 2004;
- We have participated actively in the New Jersey communities we serve, providing energy assistance to customers in need and becoming involved in local charitable and economic development activities; and
- Our commitment to continually improve customer experience has been recognized with consecutive J.D. Power and Associates customer satisfaction awards in 2015, 2016 and 2017 (year to date) in the East Region Midsize Segment.

Q. Does Elizabethtown play an active role in the New Jersey communities it serves?

A. Yes. Beyond providing safe, reliable and excellent service to our customers, we also play an active role as a responsible corporate citizen in New Jersey. Since 2004, Elizabethtown has contributed over $3 million to New Jersey community service organizations. Our employees are involved with many different community organizations and serve on numerous non-profit boards. Elizabethtown employees volunteer throughout the local community, freely donating their time and talent to a number of causes including mentoring programs, clothing drives, food drives, blood drives and cancer walks. For the last several years, we have also worked closely with local Chambers of Commerce and the Union County Economic Development Group to encourage businesses to either relocate to or expand in Elizabethtown's service territory. As indicated in the testimony of SJI's President and Chief Executive Officer Michael J. Renna that accompanies this filing, SJI is committed to maintaining Elizabethtown's current level of community support contributions of $190,000 per year for a period of five years following closing.

Q. Why do you believe that SJI is an ideal owner of Elizabethtown?

A. As the owner of South Jersey Gas Company ("South Jersey Gas"), the SJI natural gas utility that provides local distribution gas service in the seven southernmost counties of New Jersey, SJI has demonstrated its ability to manage and support a gas distribution operation in New Jersey. South Jersey Gas has a solid reputation, a strong operating record, and has core values and a corporate culture that are similar to our own. For SJI, the purchase of Elizabethtown represents a significant expansion of its ownership of utility assets and demonstrates that it is focused on the business of operating and owning

local distribution companies in this state for the long term. This dedication combined with SJI's utility experience make SJI an ideal fit.

Q. Did the proposed Acquisition obtain all necessary corporate approvals?

A. Yes.

Q. Please explain the post-Closing Elizabethtown organizational structure.

A. As explained in the testimony of Mr. Renna and Mr. Robbins, as a result of the Acquisition, Elizabethtown will become a wholly owned subsidiary of SJI Utilities, Inc. ("SJI Utilities"), which in turn will be a wholly owned subsidiary of SJI. As Mr. Renna further explains, after the closing of the Acquisition (the "Closing"), South Jersey Gas will also become a wholly owned subsidiary of SJI Utilities. Under the new organizational structure, Elizabethtown will continue to operate as a discrete business within the SJI system similar to how it does today under SCG. Post-Closing, Elizabethtown will operate under the name "Elizabethtown Gas Company." Since the post-Closing entity will operate under a name similar to that which Pivotal does business under today, for ease, I refer to the post-Closing entity as Elizabethtown in my testimony.

Q. Do you anticipate any interruption or adverse change in operations or the provision of service as a result of the proposed Acquisition?

A. No. The proposed Acquisition is structured to change the ultimate ownership of Elizabethtown, but not the manner in which we provide service to our customers and generally operate the business. As I discuss below, we expect to add a significant number of new employees to New Jersey employment rolls. Functions such as billing, collection, dispatch, human resources, information technology and others that are currently provided by employees in other states (including Georgia, Illinois, and

Virginia) and appropriately paid for today by Elizabethtown customers who benefit from these services will instead be performed by incremental employees in New Jersey after the Closing. However, Elizabethtown's day-to-day operations will remain unchanged and the transition should be seamless for our customers. Indeed, Elizabethtown's customers will continue to receive service from Elizabethtown in the same manner and pursuant to the same Board-approved rates, and terms and conditions, upon which they now receive service. The post-Closing Elizabethtown entity will continue to do business in New Jersey under the name "Elizabethtown Gas Company" and SJI will maintain its existing field service centers, call center, walk-in payment centers and Union, New Jersey headquarters for a period of at least three years post-Close. In addition, prior to Closing, offers of employment will be made to Elizabethtown's then-existing employees, and the post-Closing Elizabethtown entity will employ the same local core management teams that exist today. Notably, after Closing, I will continue in my role as President of Elizabethtown and Mary Patricia Keefe, who has been with Elizabethtown for over 35 years, will continue in the position of Vice President of External Affairs and Business Support. SJI has indicated that its management approach will be similar to the management approach currently utilized by Southern Company and SCG.

Q. Are there any arrangements in place to ensure that the Acquisition will be seamless to customers and that they will continue to receive safe and reliable utility service?

A. Yes. As set forth in the Asset Purchase Agreement ("APA") between SJI and Pivotal, after the Closing, where requested by SJI, Pivotal or an affiliate (such as AGSC), will provide Elizabethtown with certain transition services to ensure a smooth transition for Elizabethtown's employees and continued safe and reliable service for Elizabethtown's

customers. The transition services will encompass services that will not be fully integrated at the time of Closing. These services, which represent services that are currently provided to Elizabethtown by AGSC, may be provided for up to a year after Closing in substantially the same manner and at the same level that these services are provided to Elizabethtown today. This continued support will facilitate the operation and maintenance of Elizabethtown consistent with how it operates today. The transition services arrangement will be embodied in a transition services agreement that is being prepared by SJI and Pivotal.

Q. How will Elizabethtown receive shared services following the Acquisition?

A. We expect that some of the shared services Elizabethtown receives today from AGSC will be provided under the transition services arrangement I just described for up to twelve months post-Closing. For those services that are not provided under that arrangement, upon the Acquisition, Elizabethtown will receive services under a Management Services Agreement ("MSA") from SJI and a Shared Services Agreement ("SSA") from SJI Utilities, as further described in the Direct Testimony of Mr. Robbins. After the expiration of the twelve-month post-Closing period, certain transition services may then be provided under the MSA or SSA.

Q. Please explain the types of services that will be relocated to New Jersey following the Closing that you mentioned earlier in your testimony.

A. Certain functions performed for Elizabethtown, such as billing, collection, dispatch, human resources, information technology and others currently reside outside New Jersey. The work related to these functions is performed by SCG shared services employees that are located in other states, including Georgia, Illinois, and Virginia. Following the

Closing, certain of these functions will be performed by New Jersey-based employees. Thus, the Acquisition will provide the important benefit of creating new jobs in New Jersey.

Q. How will gas supply and capacity management services be provided to Elizabethtown following the Closing?

A. As reflected in this filing, it is proposed that South Jersey Resources Group ("SJRG") will provide these services post-Closing pursuant to an assignment of the SEM AMA to SJRG through March 31, 2019, and then a subsequent five-year extension of the term through March 31, 2024. Specifically, the post-closing Elizabethtown entity, SJRG and Sequent will enter into an agreement reflecting Elizabethtown's consent to the assignment of the SEM AMA to SJRG ("Consent Agreement") to allow SJRG to replace Sequent as Elizabethtown's provider of gas supply and capacity management services post-Closing. SJRG and the post-closing Elizabethtown entity will also enter into a new agreement ("Replacement Agreement") for a term commencing April 1, 2019 through March 31, 2024. The Replacement Agreement will contain essentially the same terms as the existing SEM AMA subject to the Board's approval. The Consent Agreement and the Replacement Agreement are referred to collectively as the "SJRG AMA." Mr. Robbins and Mr. Nuzzo explain the details of this proposal, why it is beneficial to customers and how it will support a seamless transition of gas supply and asset management services post-closing. As explained by these witnesses, in addition to the guaranteed credits that will flow to Elizabethtown BGSS customers by virtue of the SJRG AMA, SJRG is proposing to make a one-time $5 million fixed payment to Elizabethtown that, in turn, will be credited to BGSS customers in the form of a rate credit within 90 days post-

Closing. This $5 million rate credit represents a quantifiable and incremental positive benefit that would not exist but for the proposed Acquisition.

Q. Do you believe it is in the best interests of Elizabethtown and its customers to enter into the SJRG AMA?

A. Yes, I do. We have discussed our gas supply requirements with SJRG and we believe that they are fully qualified to provide Elizabethtown with gas supply and capacity management services under the SJRG AMA. From our perspective, the reliability of our gas supply is of paramount importance and we believe that SJRG will do everything in its power to deliver reliable supply to Elizabethtown while also maximizing the value of our upstream assets.

Q. Will the Board's oversight be diminished in any way as a result of the Acquisition?

A. No. Through its ownership of South Jersey Gas, SJI possesses a deep understanding of the utility regulatory landscape that exists in New Jersey and has strong respect for the Board and all the individuals from the various constituent groups that work in this area. Elizabethtown will continue to operate as a New Jersey public utility and will remain subject to the Board's jurisdiction and applicable New Jersey laws and regulations. Similar to the manner in which South Jersey Gas interfaces with New Jersey regulators, government officials, community leaders and customers, these stakeholders will continue to know and have access to Elizabethtown's core management and staff as they do today.

IV. THE ACQUISITION WILL PROVIDE POSITIVE BENEFITS TO CUSTOMERS AND THE STATE OF NEW JERSEY

Q. How will customers benefit from the proposed Acquisition?

A. Customers will receive a tangible benefit in the form of a $5 million rate credit that will be provided to Elizabethtown BGSS customers that I noted above. Once again, absent the proposed Acquisition, this credit would not occur.

Q. Are there any other customer benefits associated with the Acquisition?

A. Yes. While Elizabethtown has thrived under SGC ownership, the proposed Acquisition presents an opportunity for Elizabethtown and its customers to leverage the regional experience of a legacy New Jersey gas operator. SJI, by virtue of its ownership of South Jersey Gas, has significant experience with infrastructure replacement, energy efficiency programs and many other New Jersey local distribution company programs and activities that Elizabethtown currently conducts or participates in today. The proposed Acquisition will allow Elizabethtown and its customers to benefit from opportunities for enhancements in these and other areas where SJI has particular expertise. Relatedly, as we begin to work on a combined basis, our customers will have the potential to benefit from enhanced safety and reliability, particularly during peak periods by providing Elizabethtown and South Jersey Gas with the opportunity to share local employees during times of emergency and otherwise take advantage of each other's resources during critical times. Our customers may also benefit from a sharing of knowledge and an exchange of ideas, methods and procedures in all areas of the business. Customer benefits are further discussed by Mr. Renna and Mr. Robbins.

Q. What benefits will the Acquisition provide to the State of New Jersey?

A. Most significantly, the Acquisition will add a significant number of new employees to New Jersey employment rolls. Now that Elizabethtown will be owned entirely by a New Jersey company and locally managed, it will create new jobs in the State, particularly for those functions that will be relocated from out of state to New Jersey that I discussed earlier in my testimony. Beyond the incremental employment opportunities, SJI has committed to honor all of Elizabethtown's existing collective bargaining agreements in effect at the time of the closing. SJI has also committed that for three years following the Closing, SJI (or an affiliate) will maintain a minimum of 330 employees in New Jersey to support Elizabethtown's operations. I address other employee impacts later in my testimony. Benefits to the State are further addressed by Mr. Renna and Mr. Robbins.

Q. Are there other benefits to the State of New Jersey that will result from the Acquisition?

A. Similar to Elizabethtown, as explained by witness Mr. Renna, SJI has a proven record of commitment to local communities, charitable organizations, economic development and supplier diversity. The proposed Acquisition will further localize Elizabethtown's community support, economic development and charitable efforts. As noted above, SJI has committed to maintaining Elizabethtown's current charitable contribution levels.

V. THE ACQUISITION WILL NOT HAVE AN ADVERSE IMPACT ON RATES, THE PROVISION OF SAFE AND ADEQUATE UTILITY SERVICE AT JUST AND REASONABLE RATES, EMPLOYEES OR COMPETITION

A. Impact on Elizabethtown's Rates

Q. How will the Acquisition impact Elizabethtown's rates?

A. Elizabethtown will continue to provide service at Elizabethtown's existing rates that were approved by the Board in BPU Docket No. GR16090826 on June 30, 2017. Elizabethtown is not seeking to change its currently effective rates as a result of the Acquisition, but as contemplated by the Southern/AGL Merger Order—which required that Elizabethtown file a base rate case three years after the conclusion of the 2016 Base Rate Case—SJI has committed to ensuring that the new Elizabethtown entity will file its next base rate case by June 2020. In addition, Elizabethtown will not seek to recover in rates any premium paid for assets acquired by the acquisition or goodwill arising from the Acquisition, in the form of an acquisition adjustment or otherwise. Moreover, Elizabethtown will not seek to recover any transaction costs in connection with the Acquisition. Transaction costs are defined in Exhibit A to the Joint Petition and include consultant, investment banker, legal, severance, and regulatory support fees and other various costs.

For all of these reasons, the proposed Acquisition will not have any adverse impact on Elizabethtown's rates, but rather, will have a positive impact because SJI, through SJRG, is proposing a $5 million direct rate credit to Elizabethtown BGSS customers that will be provided within 90 days post-Closing in the manner described by Mr. Robbins and Mr. Nuzzo. Rate impacts are further addressed by Mr. Robbins.

Q. Will the Acquisition result in any savings that will be reflected in Elizabethtown's future rates?

A. To date, Joint Petitioners have not identified any immediate synergies or efficiencies that will arise from the proposed Acquisition. The process of integrating Elizabethtown with SJI has just begun and it is possible that synergies or efficiencies will be identified during this process. To the extent any savings are realized by Elizabethtown as a result of the Acquisition, those savings, net of the costs to achieve, will be passed on to Elizabethtown's customers through the normal base rate case process. However, based on the manner in which Elizabethtown will be operated post-Closing, the savings are not expected to be significant.

B. Impact on Utility Service

Q. Please discuss the impact of the Acquisition on overall customer service and the safety and reliability of Elizabethtown's system.

A. There will be no adverse impact on Elizabethtown's overall customer service or the safety and reliability of Elizabethtown's system as a result of the Acquisition. As discussed earlier, the change in control will be seamless for Elizabethtown customers because SJI will continue to operate Elizabethtown in the same manner that SCG does today. Following the Closing, Elizabethtown's day-to-day operations and core management team will remain unchanged and Elizabethtown will continue to provide natural gas service pursuant to its existing Board-approved tariff. As I noted earlier, our field service centers, call center, walk-in payments centers and Union, New Jersey headquarters will be maintained for a period of at least three years following the Closing. As President of Elizabethtown, my responsibilities include ensuring that Elizabethtown

customers continue to receive safe and adequate service at just and reasonable rates. As explained earlier, after the Closing, I will continue in the role of President of Elizabethtown and perform the same responsibilities I hold today.

C. Impact on Employees

Q. Will the Acquisition have an adverse impact on employees?

A. No. Rather, it will have a significant, beneficial impact on employment in the State because as I noted earlier, the Acquisition will create meaningful job growth in New Jersey. In addition, as I previously described, SJI has committed to honor all of Elizabethtown's existing collective bargaining agreements in effect at the time of closing. Elizabethtown's workforce includes a significant number of union workers from Utility Workers of America, New Jersey Local 424. These union employees are engaged in utility operations roles such as meter reading, pipeline operations, maintenance and construction, and transmission operations. In addition, SJI values the expertise of the local Elizabethtown employees and their experience successfully operating Elizabethtown in the various communities in which it serves; accordingly, as I mentioned previously, a minimum of 330 employees in New Jersey supporting Elizabethtown's operations will be maintained for the first three years following the Closing. Finally, prior to Closing, SJI will make offers to all then-current Elizabethtown employees on terms and at compensation and benefit levels comparable to their then-existing terms and compensation and benefit levels.

D. Impact on Competition

Q. Will the Acquisition have an adverse impact on competition in the market for gas distribution services in New Jersey?

A. The proposed Acquisition will not adversely impact the market for natural gas distribution services in New Jersey. There will be no changes to South Jersey Gas' or Elizabethtown's tariffs or procedures governing its natural gas transportation or third-party supplier programs as a result of the Acquisition. The Board and other regulators will retain their authority to regulate South Jersey Gas and Elizabethtown, as they do now, and these utilities will continue to comply with all applicable requirements related to affiliate Acquisitions.

VI. DISCONTINUANCE OF SERVICE

Q. Please describe why Elizabethtown is requesting permission from the Board to discontinue gas service in New Jersey and to be relieved of its public utility obligations.

A. Upon Closing, all of Elizabethtown's current customers will have natural gas service provided by the new Elizabethtown entity that will be owned by SJI (Elizabethtown Gas Company) without interruption. As such, it will no longer be necessary for Pivotal to provide service to customers or remain a public utility in New Jersey. We are therefore asking that the Board approve as in the public interest, Pivotal's request that upon Closing, it be authorized to discontinue its service and be relieved of the obligations under its existing tariff by prior Board orders.

VII. SALE OF ELKTON GAS

Q. Please describe Elkton Gas Company and its proposed sale to SJI.

A. Elkton is an operating division of Pivotal that provides local gas distribution service to approximately 6,300 customers in the State of Maryland and is subject to the jurisdiction of the Maryland Public Service Commission ("MDPSC"). In a transaction that is separate from the Acquisition, SJI has agreed to acquire the assets of Elkton. That transaction is subject to the approval of the MDPSC. As discussed by SJI witness, Mr. Renna, SJI plans to form a separate subsidiary that will own Elkton's assets once the transaction is completed.

Q. To the extent that approval by the Board is necessary to permit the completion of the sale of Elkton's assets to SJI, do you believe that such approval is in the public interest?

A. Yes. As I stated previously, Elkton is subject to the jurisdiction of the MDPSC. None of the assets of Elkton that are proposed to be transferred to SJI are located in New Jersey, and none of Elkton's assets have been used to provide service to customers in New Jersey or reflected in rates paid by New Jersey customers. The sale of Elkton will have no impact on New Jersey, Elizabethtown or its customers. Under these circumstances, it is in the public interest for the Board to authorize (to the extent necessary) Pivotal to sell the assets of Elkton to SJI. The MDPSC will ultimately determine the terms on which the proposed sale of Elkton's assets will occur for the benefit of customers in Maryland.

VIII. CONCLUSION

Q. Does this conclude your Direct Testimony?

A. Yes, it does.

BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC., AND RELATED TRANSACTIONS

BPU DOCKET NO. _____

DIRECT TESTIMONY OF

DAVID ROBBINS, JR.
SENIOR VICE PRESIDENT, SOUTH JERSEY INDUSTRIES, INC.
AND
PRESIDENT, SOUTH JERSEY GAS COMPANY

DATED: December 21, 2017

TABLE OF CONTENTS

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is David Robbins, Jr., and my business address is 1 South Jersey Plaza, Folsom, New Jersey 08037.

Q. By whom are you employed and in what capacity?

A. I am Senior Vice President of South Jersey Industries, Inc. ("SJI") and the President of South Jersey Gas Company ("South Jersey Gas"). As such, I am responsible for leadership and oversight of SJI's gas utility functions within South Jersey Gas.

Q. Please summarize your educational background and industry-related experience.

A. I am a 1984 graduate of Old Dominion University, where I earned my undergraduate degree in accounting. I joined SJI in 1997 as a Staff Accountant and held various management and officer positions of increasing responsibility in SJI and its various subsidiaries, including, but not limited to, South Jersey Resources Group ("SJRG"), Marina Energy, South Jersey Energy ("SJE"), South Jersey Energy Services ("SJES") and South Jersey Energy Service Plus ("SJESP"). These positions included Supervisor, Financial Reporting (SJI) from 1998-2001, Manager, Financial Reporting (SJI) from 2001-2005, and various Treasurer and Secretary positions from 2002-2013. I was elected Senior Vice President and Chief Operating Officer for SJE, SJES and SJESP in 2013. Thereafter, in 2014, I became President of SJES. I was appointed as Senior Vice President, Strategy and Corporate Development of SJI in 2016. In that role, I had strategic leadership responsibility over the sales and marketing functions at South Jersey Gas. In January 2017, I was appointed to my current position as President of South Jersey Gas.

In addition, I hold several positions outside of the South Jersey Gas organization. I currently serve on the Board of Directors for the American Gas Association ("AGA"), Northeast Gas Association and the New Jersey Utilities Association. I also currently serve as a member of the Executive Leadership Cabinet of the American Heart Association's Southern New Jersey Heart Walk, the Southern New Jersey Continuum of Care, the Inspira Health Network Board of Directors, and as a member of the Millville Savings and Loan Board of Directors. I formerly served as the Chair of Inspira Medical Centers, Inc. Board of Directors.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to support the Joint Petitioners' filing with the New Jersey Board of Public Utilities ("Board") in this proceeding requesting approval of the proposed acquisition of control of Elizabethtown Gas ("Elizabethtown"), an operating division of Pivotal Utility Holdings, Inc. ("Pivotal") ("Acquisition"), and related transactions. Specifically, I will identify how the post-closing entity, which will be named "Elizabethtown Gas Company," will operate following the closing of the proposed Acquisition and related transactions (the "Closing"). Since the post-Closing Elizabethtown entity will do business under a name similar to the one under which Pivotal does business today, for ease, I refer to the post-Closing Elizabethtown entity as Elizabethtown in my testimony. I will further discuss how SJI's management philosophy will be applied to Elizabethtown and how we will incorporate and transition Elizabethtown into the SJI family of companies. Finally, I will explain that the Acquisition will have no adverse impacts on Elizabethtown's rates, the provision of safe,

adequate and proper utility service, employees and competition in the markets served by Elizabethtown.

Q. Please summarize the conclusions of your testimony.

A. SJI and Elizabethtown are highly comparable companies that, through the Acquisition proposed in this proceeding, will jointly create positive benefits for Elizabethtown's customers and the State. The two will share in the benefits derived from SJI's existing management philosophy and easily transition into one utility family. Particularly beneficial will be the ability of Elizabethtown and South Jersey Gas to share employees and resources during critical times and for all of our operating utilities to learn from and grow with each other. Witness Michael J. Renna and other witnesses will discuss these and the many benefits associated with the proposed Acquisition. The Acquisition and associated benefits will have no adverse impact on competition, rates, the employees of Elizabethtown, or on the provision of safe and adequate service at just and reasonable rates. Therefore, in my opinion, the proposed Acquisition is in the public interest and should be approved.

III. INTEGRATION OF ELIZABETHTOWN INTO SJI

Q. Please describe the post-Acquisition corporate structure.

A. As part of the Acquisition, SJI will form a new utility holding company subsidiary, SJI Utilities, Inc. ("SJI Utilities") that will be directly owned by SJI. It is intended that SJI Utilities will be the direct parent of the two newly added regulated utilities, Elizabethtown and Elkton Gas Company ("Elkton"), as well as SJI's existing regulated utility, South Jersey Gas.

Q. What will be the chain of command within this organization?

A. As proposed, the Presidents of South Jersey Gas, Elizabethtown and Elkton will report to the President of SJI Utilities. At the same time, the utilities will be given a great deal of autonomy within the SJI Utilities structure and it will be business as usual at each utility post-Closing.

Q. Generally speaking, are you familiar with the operations of Elizabethtown today?

A. Yes, I am. Elizabethtown delivers safe and reliable natural gas service through approximately 3,200 miles of service main located in seven counties in two areas of New Jersey: the Union and Northwest Divisions. Approximately 45.5% of Elizabethtown's volume is sold to residential customers, and 54.5% is sold to commercial and industrial customers.

Elizabethtown's headquarters are located in Union, New Jersey. The New Jersey workforce supporting Elizabethtown's operations oversees all utility operations, which is further supported by various services provided by employees in the Southern Company Gas services company, AGL Services Company. These services include, but are not limited to, accounting, finance, tax, legal, information technology, engineering, purchasing, pipeline capacity, gas supply management, and human resources-related services.

Q. How will services be provided to Elizabethtown post-Closing, to the extent that they are not provided by Elizabethtown employees today?

A. As explained by Mr. Renna, during the post-Closing transition period, it is anticipated that Elizabethtown will enter into a transition services agreement with Pivotal (or a Pivotal affiliate), which will encompass the services that will not be fully integrated at the

time of Closing. The transition services agreement will help ensure a smooth transition for Elizabethtown's customers, employees and other stakeholders. Ultimately, certain services will be provided by SJI to Elizabethtown pursuant to a Master Services Agreement, much as they are provided to South Jersey Gas today. These corporate services could include human resources, information technology, legal and others. It is also anticipated that SJI Utilities will enter into separate Shared Services Agreements ("SSAs") with South Jersey Gas, Elizabethtown and Elkton to provide additional services related to utility operations. The services that will be provided under the SSAs could include services related to customer service, rates and regulatory and gas supply.

Q. Are SJI and SJI Utilities capable of managing the operations of Elizabethtown post-Closing?

A. Absolutely. SJI and SJI Utilities bring to Elizabethtown a team of highly qualified and experienced leaders, managers, and employees with numerous years of experience running a natural gas utility effectively and efficiently, and in such a way as to provide safe, reliable, and affordable natural gas delivery service. Given this history and perspective, SJI and SJI Utilities understand the critical importance of Elizabethtown's public service company obligations, and SJI and SJI Utilities are positioned to make certain that these obligations are met.

Q. Please describe SJI's philosophy of utility operations.

A. SJI is committed to providing its customers with superior, reliable service while contributing to New Jersey's social and environmental needs. By way of example, South Jersey Gas participates in the AGA Best Practices Benchmarking Program, which provides a means for individual natural gas utilities to survey other members on specific

operational issues and evaluate themselves internally. South Jersey Gas also participates in the AGA Peer Review Program, which is a voluntary peer-to-peer safety and operational practices review program that allows local natural gas utilities throughout the nation to observe their peers, share best practices and identify opportunities to better serve customers and communities. As part of the Peer Review Program, subject matter experts from peer companies evaluate other participating companies with the objective of gaining an understanding of the company's practices, procedures and standards in an effort to identify strengths and leading initiatives, as well as to identify areas that could be improved where appropriate. Through SJI Utilities, it is intended that this management approach will be applied equally to Elizabethtown for the benefit of its customers.

Q. How will SJI's management approach compare to the current approach for Elizabethtown?

A. It will be virtually the same. As noted by Brian MacLean, President of Elizabethtown, in his Direct Testimony filed in this proceeding, Elizabethtown's current day-to-day operations are independently run with oversight from Southern Company. For example, Elizabethtown makes local operational decisions, including preparing its own capital and operations and maintenance expense budgets. Mr. MacLean notes that Southern Company's role in managing Elizabethtown is to offer assistance, whether financial, operational, or otherwise and to ensure that Elizabethtown continues to provide safe, adequate and proper service. Once again, SJI's management style is essentially the same and we intend for it to remain the same post-Acquisition. It is notable that SJI has committed to maintain local core management teams following the Closing. This will

ensure a continuity of the management style that exists today at Elizabethtown post-Acquisition. With this being said, we anticipate a seamless transition for both the customers and employees of Elizabethtown.

IV. THE ACQUISITION WILL HAVE NO ADVERSE IMPACT ON COMPETITION, RATES, THE EMPLOYEES OF ELIZABETHTOWN, OR ON THE PROVISION OF SAFE AND ADEQUATE UTILITY SERVICE AT JUST AND REASONABLE RATES

A. Impact on Competition

Q. Will the Acquisition have any adverse impact on competition in the market for gas distribution services in New Jersey?

A. The Acquisition will present no adverse impact upon competition. The majority of the assets that SJI will hold post-Closing are in the form of natural gas utilities that provide gas service in different service territories and are subject to regulation by this Board, the MDPSC and/or the federal government. All utility operating divisions of SJI will continue to operate as they do today and provide service pursuant to existing tariff rates. Elizabethtown is a well-run public utility, and as such, SJI does not intend to materially change Elizabethtown's current operating procedures.

In addition, Elizabethtown is and has been a proponent of customer choice. Therefore, Elizabethtown is financially indifferent as to whether customers purchase gas commodity supply through utility Basic Gas Supply Service ("BGSS") or from a third-party supplier. Following the Closing, Elizabethtown will remain financially indifferent. SJI does not intend to bring about any changes to the relationships that currently exist between Elizabethtown and third-party suppliers. Therefore, there will be no adverse impact upon competition.

B. **Impact on Rates**

Q. **Will the Acquisition have any adverse impact on Elizabethtown's current rates?**

A. No. The Acquisition will not adversely affect rates. Elizabethtown will continue to operate in its current form, with its BPU-approved tariff rates in effect at the time of Closing. By virtue of the BPU Order in its most recent rate case, Elizabethtown must file a base rate Petition on or before June 2020. Elizabethtown will adhere to this requirement. In addition, Elizabethtown will not seek to recover in rates any premium paid for assets acquired through the acquisition or good will arising from the Acquisition, in the form of an acquisition adjustment or otherwise. Moreover, Elizabethtown will not seek to recover any transaction costs in connection with the Acquisition. Transaction costs are defined in Exhibit A to the Joint Petition.

Finally, SJI will maintain Elizabethtown's existing ratemaking capital structure ratios of debt and equity and Elizabethtown will not issue equity in connection with the Acquisition.

Q. **Have the Joint Petitioners identified any synergies or efficiencies that will result from the Acquisition?**

A. To date, although the Joint Petitioners have not identified any immediate synergies or efficiencies that will arise from the proposed Acquisition, the process of integrating Elizabethtown with SJI has just begun and it is possible that synergies or efficiencies will be identified during this process. To the extent any savings are realized by Elizabethtown as a result of the Acquisition, those savings, net of the costs to achieve, will be passed on to Elizabethtown's customers through the normal base rate case process. However,

based on the manner in which Elizabethtown will be operated post-Acquisition, the savings are not expected to be significant.

Q. How does SJI propose to manage Elizabethtown's gas supply requirements and what impact, if any, will this have on rates?

A. SJI is proposing to manage gas supply the same way that Elizabethtown manages gas supply today – i.e., through an asset management agreement – which we believe will have a positive impact on rates. Currently, gas supply and capacity management services are provided to Elizabethtown by Sequent Energy Management LP ("Sequent") pursuant to an asset management agreement ("SEM AMA"). As discussed further in the direct testimony of witness Gregory M. Nuzzo, post-Closing, it is intended that upstream pipeline capacity management services as well as gas supply will be provided to Elizabethtown by SJRG. Specifically, SEM and SJRG will enter into an agreement pursuant to which SEM will assign its interest in the SEM AMA to SJRG, such that SJRG will replace SEM as the provider of these services for a term commencing on the first day of the month following Closing through March 31, 2019 (the date of expiration of the SEM AMA). At Closing, the newly formed Elizabethtown's consent to the assignment will be embodied in an agreement among the post-Closing Elizabethtown entity, SEM, and SJRG ("Consent Agreement"). The asset management agreement between Elizabethtown and SJRG will then be extended for an additional five-year period commencing April 1, 2019 through March 31, 2024. This extension will be reflected in a new agreement between Elizabethtown and SJRG (the "Replacement Agreement") that will contain terms and conditions that are essentially the same as the SEM AMA. I refer

to the Consent Agreement and the Replacement Agreement individually where appropriate and collectively as the "SJRG AMA."

During the term of the SJRG AMA, which again, will commence the first day of the month following the Closing and extend through March 31, 2024, SJRG will credit to Elizabethtown's BGSS customers a minimum credit of $4.25 million. In addition, to the extent that SJRG derives margins in excess of $4.25 million in any year during the term of the SJRG AMA, SJRG will credit these additional margins to Elizabethtown BGSS customers on the same terms as are contained in the SEM AMA. We believe that this amount should be substantial given SJRG's skilled asset managers, their familiarity with these assets and the ability to optimize the same. Through the SJRG AMA, SJRG expects to return substantial credits to Elizabethtown's customers through Elizabethtown's BGSS.

SJI anticipates that the proposed SJRG AMA, as extended, will allow SJRG to continue to provide market-based gas supplies and capacity management rate credits under the same terms and conditions that Elizabethtown customers receive today, thus creating a substantial incremental benefit for Elizabethtown's customers. Further still, Elizabethtown currently does not have the resources needed to administer the gas supply function internally, and therefore, absent the SJRG AMA, Elizabethtown would require considerable incremental internal staff and resources to do so. The proposed SJRG AMA will permit Elizabethtown to avoid these additional internal costs. The proposed SJRG AMA, moreover, will provide Elizabethtown's BGSS customers with an incremental one-time credit of $5 million within 90 days of Closing. The SJRG AMA proposal, why it is beneficial, how SJRG is uniquely qualified to manage Elizabethtown's gas supply

post-Closing, and the costs of administering the gas supply function in-house that Elizabethtown will avoid as a result of the proposed SJRG AMA are discussed further by Mr. Nuzzo and Mr. MacLean.

Q. Could this function be supplied by bringing it in-house to Elizabethtown?

A. Yes, it could, but it would be less than ideal. To provide this function, Elizabethtown would be required to hire qualified, experienced gas supply and trading personnel, which is a difficult task. And even if Elizabethtown successfully hired experienced personnel, it would incur a significant payroll increase that it would pass on to its customers in future base rate proceedings.

Q. Does Elizabethtown have existing relationships with pipeline suppliers, storage suppliers, gas supply providers and other necessary vendors in the gas supply function?

A. No. As a result, if Elizabethtown were to take on the gas supply function, its new personnel, once engaged, would have to establish these relationships, which could take years and result in additional costs to be borne by Elizabethtown's customers.

Q. Can you further describe the incremental costs associated with administering gas supply internally at the utility?

A. Yes. To administer a capacity management function, the post-Closing Elizabethtown entity would likely need to use a three-office model: a front office to develop and execute the capacity management strategy, a middle office to confirm and monitor the risk of all deals, and a back office to be responsible for invoicing and reporting financial results. Under the proposed SJRG AMA, Elizabethtown will be able to rely on SJRG for

all of these functions and avoid the need to add these significant incremental resources to manage the assets.

C. **Impact on Employees**

Q. How, if at all, will the proposed Acquisition impact Elizabethtown's employees?

A. The proposed Acquisition will materially benefit Elizabethtown's employees and New Jersey employment. As noted by Mr. Renna, SJI has made many employee-related commitments to safeguard employees. Prior to Closing, SJI will make offers of employment to all then-current Elizabethtown employees on terms and at compensation and benefit levels comparable to their then-existing terms and compensation and benefit levels. In addition, for three years following the Closing, SJI (or an affiliate) will maintain a minimum of 330 employees in New Jersey to support Elizabethtown's operations, and will add incremental New Jersey employees over and above this number. SJI will also honor all of Elizabethtown's existing collective bargaining agreements in effect at the time of the Closing and assume all obligations to Elizabethtown's employees and retirees with respect to pension benefits. SJI will maintain Elizabethtown's local core management team following the Acquisition. These commitments help ensure that there will be no adverse employee impacts.

Further still, as stated in the Direct Testimony of Mr. Renna, SJI, SJI Utilities and Elizabethtown will add a significant number of employees to New Jersey over and above the 330 employee commitment. New Jersey employment will benefit from the fact that certain Elizabethtown functions currently provided by employees in other states and appropriately paid for today by Elizabethtown customers who benefit from these services

will instead be performed by incremental employees in New Jersey after the Closing. This is an important benefit arising out of the Acquisition.

D. Impact on Utility Service

Q. Please describe the impact of the Acquisition on overall customer service and the provision of safe and reliable service at just and reasonable rates.

A. The Acquisition will have no adverse impact on customers in terms of customer service or the provision of safe, reliable and adequate service at just and reasonable rates. Elizabethtown currently maintains top approval ratings from J.D. Power and Associates and it is SJI's intent to continue this recognized record of performance.

To this end, as discussed by Mr. Renna, SJI commits to maintaining Elizabethtown's five field service centers, call center, walk-in payment centers and Union, New Jersey headquarters for a period of at least three years following the Closing. In addition, SJI will maintain Elizabethtown's local core management team following the Closing, and as I noted earlier, it is our expectation that the high level of autonomy that exists today at Elizabethtown will continue. While SJI also intends to relocate certain functions of Elizabethtown to New Jersey, as discussed above, Elizabethtown's day-to-day operations will remain unchanged and SJI is focused on making the transition invisible to customers. Indeed, Elizabethtown's customers will continue to receive service in the same manner and pursuant to the same Board-approved Elizabethtown Tariff in place today. In addition, SJI is also committed to providing Elizabethtown with the resources necessary to invest in capital and infrastructure projects to help ensure that Elizabethtown may continue to provide safe, adequate and proper utility service. We also

believe that there is an opportunity for improved customer service through the sharing of knowledge and an exchange of ideas, methods and procedures in all areas of the business.

Q. Will the Acquisition have any impact on the franchise rights of Elizabethtown?

A. No. The existing property, franchises, privileges and rights of Elizabethtown, as reflected in the APA, will transfer with the Acquisition.

Q. Please explain the authority being sought regarding Elizabethtown's regulatory assets and liabilities.

A. To the extent required, we are seeking authority for Elizabethtown to be able to record certain regulatory assets and liabilities as will be reflected on Elizabethtown's books upon the Closing and for Elizabethtown to continue to employ deferred accounting for the costs recorded as regulatory assets and liabilities in the same manner Elizabethtown does today. Exhibit F contains a list of the regulatory assets and liabilities as of September 30, 2017 for which deferred accounting authority is sought. Exhibit F lists these regulatory assets and liabilities by type and dollar amount. We will update Exhibit F during the course of this proceeding as needed. The APA provides for the transfer of Elizabethtown's regulatory assets and liabilities and the authority sought regarding the regulatory assets and liabilities will ensure the appropriate regulatory treatment post-Closing.

Q. Will the Acquisition and proposed restructuring of SJI's corporate structure have any adverse impacts on South Jersey Gas?

A. No. The Acquisition will have no adverse impact on the rates, services or employees of South Jersey Gas, or competition in South Jersey Gas' service territory. Once again, to the contrary, South Jersey Gas will benefit from the ability to share knowledge and

procedures with sister utilities. In addition, the Acquisition presents an opportunity for enhanced safety and reliability in so far as Elizabethtown and South Jersey Gas will have the opportunity to share employees and resources during emergencies and critical times. Moreover, we believe on the whole that all our employees will benefit from being part of a larger organization providing service to more of New Jersey.

V. CONCLUSION

Q. Can you briefly summarize your testimony?

A. Yes. SJI is an experienced New Jersey energy company that has, through South Jersey Gas, provided reliable utility service to New Jersey for more than 100 years. SJI's operational and management philosophies have historically contributed to the success of the company and SJI will apply the same philosophies to Elizabethtown. As demonstrated herein, the Acquisition will have no adverse impacts on competition, rates, the employees of Elizabethtown, or on the provision of safe and adequate utility service at just and reasonable rates for its customers. It will have significant positive benefits.

Q. Does this conclude your testimony?

A. Yes.

A.ANTHONY

BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC., AND RELATED TRANSACTIONS

BPU DOCKET NO. _____

DIRECT TESTIMONY OF

ANN ANTHONY
VICE PRESIDENT AND TREASURER
SOUTH JERSEY INDUSTRIES, INC.

DATED: December 21, 2017

Q. Please state your name and business address.

A. My name is Ann Anthony. My business address is 1 South Jersey Plaza, Folsom, New Jersey 08037.

Q. By whom are you employed and in what capacity?

A. I am the Vice President and Treasurer of South Jersey Industries, Inc. ("SJI"). In that capacity, I manage and oversee SJI's treasury functions, including SJI's banking relationships, cash management, and long- and short-term borrowings.

Q. Please describe your educational background.

A. I am a 1987 graduate of St. Joseph's University, where I earned my undergraduate degree in finance. I also attained an MBA in finance from St. Joseph's University in 1993.

Q. Do you hold any certifications?

A. Yes. I am a holder of the Certified Treasury Professional ("CTP") professional certification.

Q. Please describe your professional experience and affiliations.

A. Prior to joining SJI, I held a number of senior treasury roles in several organizations. I joined SJI in 2008 as General Manager, Treasury & Investor Relations and advanced through a number of managerial and professional positions before being appointed to my current position in 2014. In addition, I hold several non-profit board affiliations. I am the President of the Board of The Darlington Arts Center in Garnet Valley, Pennsylvania; a board member of The Association for Financial Professionals in Bethesda, Maryland; and a board member of Bancroft in Cherry Hill, New Jersey.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide an overview of the financial transactions associated with SJI's proposed acquisition of Elizabethtown Gas ("Elizabethtown"), a division of Pivotal Utility Holdings, Inc. ("Pivotal") ("Acquisition"), as well as the capitalization of the post-Acquisition entity that, as noted below, will be named "Elizabethtown Gas Company."

Q. What is the structure of the proposed Acquisition?

A. As discussed in the Direct Testimony of Michael J. Renna, SJI and Pivotal entered into an Asset Purchase Agreement ("APA") on October 15, 2017. ETG Acquisition Corp. was formed in order to acquire Elizabethtown from Pivotal for the purpose of owning and operating the acquired assets as a public utility. Again, upon closing (the "Closing"), ETG Acquisition Corp.'s name will be changed to "Elizabethtown Gas Company." In addition, a new utility holding company, SJI Utilities, Inc. ("SJI Utilities"), will be formed as a wholly owned subsidiary of SJI prior to Closing and will own the newly formed Elizabethtown, South Jersey Gas Company ("South Jersey Gas") and Elkton Gas Company in Maryland. Because the post-Closing entity will operate under a name similar to the one under which Pivotal does business today, for ease, I refer to the post-Closing entity as Elizabethtown in my testimony.

Q. Please describe the financial stature of SJI.

A. SJI is a New York Stock Exchange-listed corporation with an equity market capitalization of approximately $2.68 billion. SJI has an investment-grade credit rating of BBB+ from Standard & Poor's and intends to finance this transaction in a manner

intended to preserve that rating. SJI has a longstanding track record of financial stability, strong earnings, and successful access to debt and equity markets at competitive costs.

Q. How will SJI finance the Acquisition of the Elizabethtown assets?

A. As reflected in the APA, SJI will acquire Elizabethtown for a base purchase price of approximately $1.7 billion. SJI will finance the $1.7 billion required for the Acquisition through a combination of debt and equity. Approximately $1.19 billion of debt and equity will be issued at the SJI level and approximately $530 million of debt will be issued at the Elizabethtown level to replace the outstanding debt applicable to Elizabethtown immediately pre-Closing, while maintaining the same capital structure ratios utilized to set rates in Elizabethtown's last rate case. Outstanding debt held by Elizabethtown immediately pre-Closing will be eliminated by Pivotal pre-Closing. We are in discussions with our financial advisors concerning the ultimate mix of debt and equity that will be utilized to finance the transaction and expect to finalize our plans by the beginning of 2018. Our intent is to finance this transaction in a prudent and cost-effective manner and for Elizabethtown to be capitalized in a manner consistent with its current ratemaking capital structure.

Q. Do you believe that SJI will be able to access the debt and equity markets at a reasonable cost in order to finance the Acquisition of Elizabethtown's assets?

A. Yes. SJI has strengthened its balance sheet in recent years and intends to continue to maintain a strong balance sheet, which will enable such financing. SJI issued equity in 2016 and long-term debt in mid-2017 for general corporate purposes and both transactions were enthusiastically received and multiple-times oversubscribed. The markets have viewed this Acquisition as positive for SJI, and there is no reason to believe

that it will have a negative impact on either SJI's, South Jersey Gas' or Elizabethtown's financing costs.

Q. How does SJI propose to manage the working capital needs of Elizabethtown following the Closing?

A. Long-term, Elizabethtown will have permanent debt financing comparable to what it has employed recently. Following the proposed Closing, Elizabethtown will issue debt in the form of a revolving credit agreement and a two-year term loan facility. During the two-year period of the term loan facility, the term loan will be replaced by long-term debt in such a manner as to maintain the same debt/equity ratio utilized to set rates for Elizabethtown in its most recent base rate case.

Q. Will the Acquisition affect SJI's credit rating?

A. We do not expect the Acquisition to affect SJI's credit rating and it is SJI's intent to defend its BBB+ credit rating with Standard and Poor's. While SJI's ratings were put on credit watch following announcement of the Acquisition, this is a fairly standard practice and our discussions with Standard and Poor's since the announcement have been positive. We expect to have a continued and productive dialogue as we finalize our financing plans.

Q. How will SJI's non-gas distribution business affect the financing costs of Elizabethtown or its access to capital?

A. As we have proven historically, SJI's non-gas distribution business has not adversely affected the financing costs or access to capital of South Jersey Gas, and I have no reason to believe that the impact on Elizabethtown's financing costs or access to capital will be different. SJI owns a diverse range of energy-related businesses, and it has not been our

experience that this diversification increases SJI's overall risk or net financing costs. In fact, this Acquisition is expected to be viewed favorably by both the debt and equity markets as it increases the proportion of regulated utility operations at SJI.

Moreover, while SJI issues debt on behalf of its non-regulated subsidiaries, our existing regulated utility, South Jersey Gas, maintains its own ratings and issues its own short-term and long-term debt. South Jersey Gas is currently rated BBB+ by Standard and Poor's and A2 by Moody's.

Q. Will there be any impact on Elizabethtown's capital structure ratios as a result of the proposed Acquisition?

A. There will be no material impact on Elizabethtown's capital structure ratios. As I noted above, it is SJI's intent that post-Closing Elizabethtown will have the same capital structure ratios utilized to set rates in Elizabethtown's most recent base rate case.

Q. Will any assets of Elizabethtown be pledged for the benefit of SJI or any other SJI affiliate?

A. No. SJI will not pledge any asset of Elizabethtown as support for any securities which SJI or any of its affiliates other than Elizabethtown may issue. Of course, Elizabethtown may pledge its assets to secure debt issued by Elizabethtown in the normal conduct of its business. Any such transfers would be subject to prior review and approval by the BPU. In so doing, Elizabethtown will continue to comply with the BPU regulations regarding relations with its affiliates.

Q. Does this conclude your direct testimony?

A. Yes.

G.NUZZO

BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ACQUISITION OF ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC. BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC., AND RELATED TRANSACTIONS

BPU DOCKET NO. _____

DIRECT TESTIMONY OF

GREGORY M. NUZZO
PRESIDENT
SOUTH JERSEY RESOURCES GROUP, LLC

DATED: December 21, 2017

TABLE OF CONTENTS

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Gregory M. Nuzzo. My business address is 1 South Jersey Plaza, Folsom, New Jersey 08037.

Q. By whom are you employed and in what capacity?

A. I am the President of South Jersey Resources Group, LLC ("SJRG"), an SJI Industries ("SJI") company. In that capacity, I direct and manage natural gas trading activity and analyze and evaluate energy transactions, ensuring they are consistent with company guidelines for risk management. I also analyze and react to market, competitive and other business conditions that impact the business. I am responsible for analyzing and evaluating energy transactions, ensuring all relevant aspects are favorable to, and consistent with, company guidelines for risk management. I also oversee SJRG's asset management agreements and gas supply agreements.

Q. Please describe your educational background.

A. I am a 1998 graduate of Rutgers University, where I earned my undergraduate degree in accounting.

Q. Please describe your professional experience and affiliations.

A. Prior to joining SJI, I was in public accounting with Deloitte and Touche. I joined SJI in 2003 as supervisor of non-utility accounting and advanced through a number of managerial and professional positions including general manager, gas marketing for SJRG, Vice President of South Jersey Energy Solutions ("Energy Solutions") and Senior Vice President of SJRG, before being appointed to my current role in 2014. I also serve as a member of the SJI Risk Management Committee.

In addition, I am a member of the Board of the Greater Philadelphia Chamber of Commerce and an active member of the Pennsylvania and Independent Oil and Gas Association.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to demonstrate that SJRG is distinctly qualified and experienced to provide gas supply and asset management services to Elizabethtown Gas Company. I will also support the Joint Petitioners' request that the asset management agreement and gas supply agreement currently in place between Sequent Energy Management, L.P. ("Sequent") and Pivotal Utility Holdings, Inc. d/b/a/ Elizabethtown Gas ("Elizabethtown") ("SEM AMA") be assigned to SJRG at the closing of the Acquisition (the "Closing") upon the consent of the post-closing Elizabethtown entity ("Consent Agreement"). I also support the Joint Petitioners' request that the Board authorize the post-closing Elizabethtown entity and SJRG to enter into a new asset management agreement ("Replacement Agreement") which will commence on April 1, 2019 and extend through March 31, 2024, as described further below. I will refer to the Consent Agreement and the Replacement Agreement collectively as the "SJRG AMA." This assignment and extension will allow SJRG to provide asset management and gas supply services to Elizabethtown on essentially the same terms and conditions contained in the currently operative SEM AMA. Since the post-Closing entity will do business under a name similar to the one under which Pivotal does business today, for ease, I refer to the post-Closing entity as Elizabethtown in my testimony. I will also describe the benefits of the proposed SJRG AMA and demonstrate how SJRG is poised to provide a

seamless transition of gas supply management services at the time of Closing and throughout the term of the proposed SJRG AMA. I will also demonstrate how the arrangement will be beneficial to Elizabethtown customers.

III. OVERVIEW OF SJRG AND ITS QUALIFICATIONS TO MANAGE ELIZABETHTOWN'S GAS SUPPLY ASSETS

Q. Please provide an overview of SJRG.

A. SJRG is a wholly owned subsidiary of Energy Solutions, and is one of the longest-operating wholesale marketing companies in the region and a recognized leader in the energy industry. Since SJRG's inception, it has consistently provided its customers with the innovative, natural gas solutions they require. SJRG is a proven reliable partner to South Jersey Gas Company ("South Jersey Gas") and other customers across the country. Moreover, SJRG holds assets under its name and has extensive experience in managing natural gas assets. SJRG maintains a strong balance sheet and has the corporate and financial support of its parent, SJI.

Q. What services does SJRG provide to its customers?

A. SJRG provides wholesale natural gas services including trading, sales, storage management, peaking services, transportation capacity and natural gas portfolio management to wholesale natural gas customers throughout the mid-Atlantic, Appalachia and southern areas of the United States. These customers include Fortune 500 companies, energy marketers, natural gas and electric utilities, and natural gas producers.

Q. Does SJRG enter into asset management agreements and gas supply agreements in connection with the wholesale natural gas services it provides to its customers?

A. Yes. SJRG provides services under a number of asset management and gas supply agreements on behalf of its customers. I personally oversee all such agreements of SJRG, and I am responsible for ensuring SJRG's continued compliance with these agreements.

Q. Are you familiar with the terms of the SEM AMA that is currently in effect between Sequent and Elizabethtown?

A. Yes. I have analyzed the terms and conditions contained in the SEM AMA, including the firm gas supply and upstream capacity management services provided by Sequent.

Q. What is your understanding regarding the SJRG AMA that is proposed in this proceeding?

A. As explained in greater detail in the direct testimony of David Robbins, Jr., Senior Vice President of SJI and President of South Jersey Gas, it is the intention that upon Closing, the SEM AMA will be assigned to SJRG, allowing SJRG to replace SEM as the provider of these services for a term commencing on the first day of the month following Closing through March 31, 2019. The term will then be extended for an additional five-year period commencing April 1, 2019 through March 31, 2024. The SJRG AMA will reflect essentially the same terms and conditions contained in the SEM AMA, including the minimum $4.25 million annual fee and margin sharing requirements. SJRG will adhere to these terms and conditions through March 31, 2019 (the date of expiration of the SEM AMA), and thereafter through March 31, 2024. Upon the assignment of the SEM AMA, SJRG would provide a one-time $5 million fixed payment to Elizabethtown that in turn would be credited to Elizabethtown Basic Gas Supply Service ("BGSS") customers within 90 days post-Closing.

Q. Is SJRG qualified to manage the Elizabethtown gas supply assets consistent with the terms and condition contained in the existing SEM AMA? If so, please explain.

A. Yes. SJRG is uniquely qualified to manage Elizabethtown's gas supply portfolio for the benefit of Elizabethtown and its customers for a number of reasons. In particular, SJRG's team lead by Vice President, Jason Foulds, brings over 20 years of natural gas trading and operational experience with extensive knowledge of the unique characteristics and complexities of Northeast pipelines and market participants. Additional staff, consisting of natural gas traders, have over 30 years of combined experience. SJRG's schedulers are also amply qualified and SJRG is currently in the process of hiring 2 additional traders and 2 additional schedulers to its team of skilled specialists.

IV. CUSTOMER BENEFITS OF AN ASSET MANAGEMENT AGREEMEENT AND GAS SUPPLY AGREEMENT WITH SJRG

Q. What does SJRG bring to the table that is superior to having the gas supply function in-house at Elizabethtown?

A. SJRG both manages and owns gas supply assets. These gas supply assets include, among other things, interstate pipeline capacity, storage and natural gas supplies. SJRG will utilize its existing assets and combine them with the Elizabethtown assets. However, the margins derived from the Elizabethtown assets will be accounted for separately from the other SJRG-owned or managed assets. In addition, SJRG and Elizabethtown will assume the reporting and audit requirements associated with the SEM AMA that are in place today as set forth in Exhibit A. These safeguards will provide transparency regarding the relationship between SJRG and Elizabethtown and permit the Board, Board Staff and Rate Counsel to review SJRG's performance.

By contrast, the gas supply department of a regulated public utility simply does not have access to these assets, nor does it have the experience to combine and market assets to other customers. Moreover, Elizabethtown has essentially no in-house gas supply function today.

Q. How will the SJRG AMA benefit Elizabethtown customers?

A. As I noted earlier, SJRG intends to provide a one-time $5 million fixed payment to Elizabethtown that in turn would be credited to Elizabethtown BGSS customers within 90 days post-Closing. In addition, during the term of the SJRG AMA, SJRG will provide an annual credit to customers of $4.25 million, and share the majority of the margins from capacity management transactions, above the annual minimum credit of $4.25 million, with Elizabethtown BGSS customers. Our ability to optimize assets will add significantly to the Elizabethtown customers' share, which I would expect to be, in some cases, up to 70%. This results in guaranteed, minimum credit to customers of $26.25 million over the lives of the SJRG AMA and Supply Agreement.

By contrast, it is a common practice for regulated New Jersey gas utilities managing their own portfolios to share margins from their so-called off-system sales on an 85/15 basis, with no guarantees.

We are confident that with the ability and experience of SJRG to optimize assets, and given our one-time and annual credits, we will significantly exceed, over the life of the SJRG AMA, the amount of customer benefits that would be obtained through off-system sales made by an in-house gas supply function.

Q. Will SJRG supply Elizabethtown's gas supply needs?

A. Yes, as is the case today, the SJRG AMA will also contain a corresponding gas supply agreement, pursuant to which SJRG will provide Elizabethtown's gas supply requirements. The gas supply agreement will be on essentially the same terms as are contained in the current supply agreement that is part of the SEM AMA.

Q. In addition to SJRG's skilled front-office specialists, does SJRG have any additional attributes that qualify it to manage Elizabethtown's gas supply portfolio?

A. Yes. SJRG currently acts as the fuel manager for 6 merchant generation plants in the PJM Interconnection LLC ("PJM") territory with combined natural gas demand of 600,000 dekatherms per day (dths/day). SJRG also supplies gas to various Northeast utilities and retail providers with overall average daily sales exceeding 1.5 billion cubic feet per day (bcf/day). Moreover, SJRG specializes in asset optimization and owns over 200,000 dths/day of firm transportation that currently serves the NJ area. Much of SJRG's transportation and storage assets mirror those in the Elizabethtown asset mix. SJRG conducts business on all the pipelines that are part of the Elizabethtown asset portfolio. Furthermore, SJRG has extensive knowledge of all the Northeast pipelines and their tariffs, as well as any curtailments or pipeline conditions that could impact transportation, all of which will aid SJRG in providing exceptional gas supply management services to the benefit of Elizabethtown and its customers.

Q. How, if at all, will SJRG's relationships in the business ensure consistent asset management services for the benefit of Elizabethtown and its customers?

A. SJRG has excellent relationships with pipeline transportation representatives that manage the day-to-day activities on many of the Northeast pipelines. SJRG also has many

producer relationships that allow it to procure the most cost-effective supply at various locations in the Marcellus, Utica, and Gulf Coast regions. SJRG has been a participant in the producer services business for over 10 years, managing close to 1bcf/day of long-term Marcellus supply. Through these relationships and participation in the business, I am confident that SJRG has the necessary resources to manage Elizabethtown's portfolio and yield significant financial rewards for the benefit Elizabethtown's customers.

Q. Does SJRG have the necessary systems in place to support its management of Elizabethtown's gas supply assets?

A. Yes. SJRG has a robust state-of-the-art gas management system, ENDUR, that handles all of SJRG's daily business needs including tracking purchases and sales, balancing customer usage, invoicing, mapping transportation expenses, and evaluating forward valuation of deals. We have used this system for several years, and it just underwent the most recent upgrade in October 2017 and is ready to support SJRG in its management of Elizabethtown's assets immediately upon Closing.

Q. What other support services does SJRG have in place that will allow it to begin management of Elizabethtown's gas supply portfolio immediately upon Closing?

A. In addition to the front-office personnel mentioned previously, *i.e.*, its skilled traders and schedulers, SJRG is supported by Mid-Office, risk analysts who determine credit worthiness of counterparties and act as an internal control for audit purposes. In addition, SJRG has Back-Office personnel who perform accounting functions specific to the trading operations that ensures that both accounts payable and accounts receivable are correct and timely paid.

Moreover, SJRG has North American Energy Standards Board ("NAESB") agreements in place with the majority of Northeast and Gulf Coast markets participants, which allow it to facilitate comprehensive trading functions. Finally, SJRG currently trades on the Intercontinental Exchange ("ICE") trading platform, with excellent credit standing that allows for liquidity at all major market hubs. With these functions in place, SJRG is equipped to commence management of Elizabethtown's assets at Closing.

V. PROVISION OF GAS SUPPLY SERVICES BY ELIZABETHTOWN IN-HOUSE

Q. Could Elizabethtown supply asset management and gas supply functions in-house, and share 85/15 with customers to the extent that off-system sales were made?

A. Yes. That could be done. However, in my view, that would not be the ideal approach.

Q. Why do you believe that it is not the ideal approach?

A. For one thing, as noted by Mr. Robbins in his testimony, Elizabethtown currently does not have an in-house gas supply function. As he explains, to achieve an in-house gas supply function, Elizabethtown would have to seek out and hire experienced gas supply traders and other personnel. Securing sufficient personnel will be difficult and costly. In addition, Elizabethtown personnel would then be required to establish relationships with suppliers of interstate pipeline capacity, gas suppliers, storage suppliers, and other vendors. NAESB agreements will have to be negotiated, and all of this will involve substantial time and cost which would eventually be passed on to Elizabethtown customers through base rates.

Q. Are there other reasons why this gas supply function should not be brought in-house?

A. Yes. SJRG is prepared to guarantee an annual benefit to Elizabethtown customers of $4.25 million as well as an initial credit to Elizabethtown BGSS customers of $5 million.

As stated previously, over the term of the SJRG AMA (i.e., through March 31, 2024), this translates to a guaranteed ***$26.25 million credit*** over the life of the SJRG AMA. This financial guaranty to customers would not exist with an in-house gas supply department. In addition, there will also be substantial sharing over and above the annual minimum credit.

VI. SJRG AMA BENEFITS

Q. Can you generally describe the benefits of asset management agreements?

A. Yes. Asset management agreements allow a party with upstream capacity such as Elizabethtown to secure management of these upstream assets when they are not needed by an entity such as Elizabethtown. Depending upon weather and other conditions, these assets may be surplus to Elizabethtown's needs at any particular time. An asset manager can secure alternate or supplemental uses for this capacity, and at the same time ensure that Elizabethtown's needs are met. Asset management agreements are vehicles that allow an asset manager, such as SJRG, to optimize the use of the Elizabethtown capacity in order to benefit both Elizabethtown and SJRG.

Q. Are you familiar with the economic benefits that are realized by Elizabethtown's BGSS customers through the existing SEM AMA?

A. Yes, I am familiar with the minimum $4.25 million annual fee and net margin credits generated from Sequent's management of Elizabethtown's gas supply assets under the SEM AMA, which flow through annually to Elizabethtown's BGSS customers.

Q. How, if at all, will the proposed SJRG AMA impact the significant economic benefits that have been realized historically by Elizabethtown's customers?

A. The existing asset management agreement between Sequent and Elizabethtown expires on March 31, 2019. Absent an assignment of the SEM AMA and further extension as

proposed in this proceeding, there is no mechanism in place today that will generate, on a going forward basis, the significant economic benefits that are realized by Elizabethtown's BGSS customers. SJRG strongly believes that over the life of the SJRG AMA, annual benefits flowing through to Elizabethtown's customers will exceed benefits which would have flowed through to them from off-system sales, split 85/15. In addition, as detailed further in the Direct Testimony of Mr. Robbins, through the fixed payment that SJRG will provide to Elizabethtown, BGSS customers will receive a one-time rate credit of $5 million, a direct incremental rate benefit that would not have occurred but for the Acquisition.

VII. CONCLUSION

Q. Can you please provide a brief summary of your testimony?

A. SJRG's industry expertise and long-reaching relationships will enable SJRG to deliver the superior economic and secure supply benefits that Elizabethtown customers receive today, combined with a minimum guaranteed credit of a $26.25 million. In addition, Elizabethtown's customers will receive greater additional benefits than they would receive if the gas management function were brought in-house. SJRG has sufficient talent and support services in place to commence management of Elizabethtown's gas supply assets post-Closing. Allowing SJRG to assume and extend the term of the SEM AMA will ensure that there is no economic loss and that there is a seamless transition of services to the benefit of Elizabethtown's customers.

Q. Does this conclude your testimony?

A. Yes.