

South Jersey Industries
Code of Conduct for Voluntary Price Reporting of
Natural Gas Transaction Data to Index Developers

This Price Reporting Code of Conduct (Code) establishes the guidelines and policies to be followed in reporting purchases and sales of natural gas to index developers. This Code is applicable to all employees of South Jersey Industries and its subsidiaries and affiliates (SJI) and must be adhered to when buying or selling natural gas. The Code includes the process for reporting the data from such transactions to price index developers.

SJI shall comply with laws, rules, regulations, policies and legal obligations that govern SJI activity. It is the responsibility of SJI to provide employees with information and guidance needed to comply with the Applicable Rules.

The Code conforms with the Federal Energy Regulatory Commission's (FERC or Commission) July 24, 2003 *Policy Statement on Natural Gas as Electric Price Indices*, Docket No. PL-03-3-000, as updated and clarified in Docket No. PL03-3-001, *Order on Clarification of Policy Statement on Natural Gas and Electric Price Indices* (Policy Statement). The Policy Statement was issued to explain what the Commission expects of natural gas and electricity price indices and under what conditions the Commission will give industry participants safe harbor protection for good faith reporting of transactions data to entities that develop price indices.

The Code supplements the SJI Compliance Procedures Manual, SJI Financial and Physical Energy Transactions Risk Management Policy and Procedures, the SJI General Code of Conduct and all other policies that govern employee conduct. Adherence to the Code will mitigate the risk of non-compliance, and safeguard the reputation of SJI and its employee. ***Violations of this Code may result in a disciplinary action up to and including termination.***

SJI employees, officers and managers, subject to voluntary price reporting shall:

- I. Conduct all business in accordance with all laws and regulations as applicable, including but not limited to:
 - a. Antitrust Laws;
 - b. Commodity Exchange Act (CEA)
 - c. Federal Energy Regulatory Commission
 - d. Commodity Futures Trading Commission (CFTC)
 - e. Futures Exchange Rules (e.g. NYMEX,ICE); and
- II. Not engage in fraudulent, manipulative, or deceptive behavior or transactions.
- III. Engage only in trading transactions with a legitimate business purpose that executes a lawful trading strategy. Employees will not engage in any transactions intended to (i) artificially

increase revenues or volumes, or (ii) manipulate market prices, market conditions, or market rules.

IV. To adhere to the “Safe Harbor” requirements as outlined by FERC and in compliance with FERC standards, SJI will:

- a. Make this Code of Conduct public by posting on the SJI and SJI subsidiary company South Jersey Resources Group, LLC internet sites.
- b. Designate a department independent from and not responsible for trading to report trading data.
- c. Adhere to all procedures designed to ensure that trading data reported to index developers is accurate and complies with the applicable rules as published by FERC.
- d. Correct any errors as soon as practicable and fully cooperate with the process adopted by each index developer to resolve any errors that arise.
- e. Maintain internal procedures designed to ensure that no trades are concealed or misrepresented and properly documents trades in a timely fashion.
- f. Maintain all relevant data relating to reported trades for a minimum of three (3) years.
- g. Report each non-index based bilateral, arm’s-length transaction between non-affiliated companies in the physical (cash) markets at all trading locations. Transaction details include:
 - i. Price
 - ii. Volume
 - iii. Buy/sell indicator
 - iv. Delivery/receipt location
 - v. Transaction date
 - vi. Term
- h. Have an auditor review the implementation of and adherence to data gathering and submission process annually. The audit will be conducted by the SJI Internal Audit Department (or an external auditor). The results of the audit are available by request to any index developer to which the company submits trade data.
- i. Notify the FERC within 15 days of a Change in Reporting Status.