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**South Jersey Gas Files Amendment to Pending Application
with Pinelands Commission**

FOLSOM, NJ, – Signaling its intent to move ahead with its proposed natural gas pipeline project, South Jersey Gas today filed an amendment to its 2013 project application still pending with the New Jersey Pinelands Commission. The document responds to comments and issues raised during the Memorandum of Agreement (MOA) process and accounts for changed circumstances since the January 2014 vote on the MOA. The amended application outlines the need for the construction of the 22-mile, 24-inch high pressure natural gas pipeline from just outside Millville in Maurice River Township, Cumberland County, to Beesley’s Point in Upper Township, Cape May County.

The new pipeline will reinforce the area’s access to safe and reliable energy by providing a critical back-up supply route for natural gas to more than 142,000 customers in Cape May and Atlantic counties who are currently served by a single pipeline; the new pipeline will make them far less vulnerable to a service outage in the event of an accident or natural disaster.

The pipeline will also provide the B.L. England electric generation facility in Beesley’s Point, owned by RC Cape May Holdings, with the natural gas supply needed to stop burning coal, a major goal of New Jersey’s 2011 Energy Master Plan and of air pollution regulations.

The Pinelands Commission can grant the requested Certificate of Filing if it finds the project is fully compliant with Pinelands Comprehensive Management Plan (CMP). Previously, Pinelands staff determined the project did not fully satisfy the CMP’s requirement of being “intended to primarily serve the Pinelands” because the backup supply would provide a benefit to customers

outside the Pinelands in the rare event of an emergency loss of service to the existing Cape May pipeline.

However, a number of new facts demonstrate that the project complies with the CMP's requirement, including:

- the contractual agreement between South Jersey Gas and RC Cape May Holdings requires that the pipeline be used to supply the B.L. England plant, located in the Pinelands, on at least 350 days out of the year;
- PJM Interconnection and the Department of Environmental Protection both have determined that absent significant electric transmission system enhancements, repowering the plant is necessary to avoid electric reliability violations both inside the Pinelands and the surrounding region ;
- a repowered B.L. England plant will supply about 86 percent of its output to the Pinelands once the Oyster Creek Nuclear Plant retires in 2019;
- a repowered B.L. England plant will help to reinforce electric reliability and reduce electricity congestion charges within the service territory of Atlantic City Electric, which supplies about 73 percent of all Pinelands residents, including the entire population of Atlantic and Cape May counties;
- a repowered B.L. England facility will dramatically reduce harmful air pollution within the Pinelands and the surrounding region.

Additionally, a detailed alternatives analysis of eight different routes shows that the selected route is by far the least environmentally damaging. This finding was confirmed by the NJ Department of Environmental Protection, which recently provided the Company with a letter confirming the selected route as the least harmful.

"The new details we have provided clearly confirm that this project meets the requirements of the Pinelands Comprehensive Management Plan," said Robert Fatzinger, Senior Vice President, Engineering Services and System Integrity, South Jersey Gas. "We remain committed to enhancing the natural gas infrastructure throughout our service area to ensure that our customers in Cape May and Atlantic counties receive safe and reliable natural gas services. This pipeline is vital to system reliability for the thousands of customers who depend on natural gas to heat their homes and businesses. It also will provide clean-burning fuel for local electricity generation at the B.L. England plant."

South Jersey Gas serves approximately 366,000 customers throughout the seven southernmost counties of New Jersey. Approximately 142,000 commercial and residential customers in Atlantic and Cape May counties will benefit from this pipeline, including 64,000 customers in Cape May County and more than 28,000 in the Pinelands.

For more information on South Jersey Gas' Pipeline Reliability Project, visit www.capeatlanticreliability.com.

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