



South Jersey Energy

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NHPUC MAY31 '16 AM10:02

May 27, 2016

Ms. Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

Re: DM 16-565, South Jersey Energy Company
Competitive Electric Power Supplier Renewal Application

Dear Ms. Howland:

In response to the Request for Additional Information, South Jersey Energy Company (SJE) submits the requested information.

- 1) Proof of Financial Security- Attached is an updated Guaranty with an expiration date of August 31, 2021.
- 2) A sample of the bill form. SJE intends to use the utilities' billing service for its customers.
- 3) A copy of the contract to be used for residential and small commercial customers- SJE intends to serve commercial and industrial customers, so no contract was attached to the renewal application. South Jersey Energy does not intend to serve residential and small commercial customers. The response to question 20 on the application should say "N/A"

Thank you for your attention to this matter. If you require additional information from SJE, please contact me at sbarnes@sjindustries.com and (609) 568-9028, ext. 6964.

Sincerely,

Stacey M. Barnes

General Manager, Legal Compliance

GUARANTY

THIS GUARANTY is executed as of this 24th day of May, 2016, by **South Jersey Industries, Inc.**, a New Jersey corporation (which shall be referred to as "Guarantor"), in favor of the **Public Utilities Commission of The State of New Hampshire** ("Commission").

1. In consideration of and in order to induce the Commission to issue a retail electric supplier license to **South Jersey Energy Company ("SJE")**, Guarantor hereby unconditionally guarantees the full and faithful payment of all of the obligations of SJE that are now due or may hereafter become due and payable to the Commission (collectively, the "Obligations").

2. Guarantor expressly waives any notice of exoneration, notice of acceptance of this Guaranty, demands, notice of nonpayment and any right to require Commission to first proceed against SJE or exhaust any security held from SJE or pursue any other remedy in its power whatsoever, and consents to any rescission, waiver, amendment or modification of any of the terms or provisions of any agreements between SJE and Commission, or any extension of time of payment of all or any of the Obligations hereby guaranteed.

3. The maximum liability of Guarantor under this Guaranty shall not exceed **\$350,000** (Three Hundred Fifty Thousand Dollars US\$) and such amount shall include all expenses incurred by Commission in enforcing its rights under this Guaranty, including reasonable attorney's fees. This Guaranty shall remain in full force and effect until (i) **August 31, 2021** or (ii) terminated upon thirty (30) days prior written notice from Guarantor or SJE, whichever is earlier. Such termination shall not release Guarantor from liability from any of the Obligations arising prior to the effective date of such termination.

4. Guarantor shall not be discharged, released or exonerated, in any way, from its absolute, unconditional and independent obligations and liabilities hereunder, by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of SJE or by any defense which SJE may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding, including without limitation, the rejection of the underlying contract as an executory contract; provided, however, Guarantor reserves the right to assert defenses which SJE may have had to payment of any of the Obligations other than defenses arising from the bankruptcy or insolvency of the SJE and other defenses expressly waived hereby.

5. All notices or communications to the other party shall be in writing and shall be directed by registered or certified mail or overnight delivery service to:

To Guarantor:

South Jersey Industries, Inc.
Attn: Manager, Risk Management
1 South Jersey Plaza
Folsom, New Jersey 08037
Tel: 609-561-9000
Fax: 609-704-1304

To Commission:

The State of New Hampshire
Public Utilities Commission
Attn: Henry J. Bergeron
21 S. Fruit Street
Suite 10
Concord, New Hampshire 03301-2429
Tel: 603-271-2431
Fax: 603-271-3878

6. This Guaranty constitutes the entire agreement and supersedes all prior agreements and understandings both written and verbal, between Guarantor and Commission and with respect to the subject matters hereof. Neither this Guaranty, nor any of the terms hereof may be terminated, amended, supplemented, waived or modified verbally, except by written instrument upon thirty (30) days notice executed by either Party. If, in the future, the Parties elect to amend, supplement, waive or modify this agreement, such commitment shall be explicitly stated in a separate written agreement signed by both Parties. If any one or more provisions of this Guaranty shall for any reason or to any extent be determined invalid or unenforceable, all other provisions shall, nevertheless, remain in force and effective. This Guaranty shall be binding upon Guarantor and upon the legal representatives, successors, and assigns of Guarantor and shall be for the benefit of Commission, its successors and assigns.

7. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT RECOURSE TO PROVISIONS GOVERNING CHOICE OF LAW OR CONFLICTS OF LAW, AND IS INTENDED TO BE PERFORMED IN ACCORDANCE WITH, AND TO THE EXTENT PERMITTED BY, SUCH LAWS.

IN WITNESS WHEREOF, the foregoing instrument is executed this 24th day of May, 2016.

South Jersey Industries, Inc. (GUARANTOR)

By:  _____

Printed: Stephen H. Clark

Its: SVP & Chief Financial Officer