

# GUARANTY

---

THIS GUARANTY is executed as of this 29 day of August, 2011, 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) **July 31, 2016** 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: Ying Liu- Manager, Risk Management  
1 South Jersey Plaza  
Folsom, New Jersey 08037  
Tel: 609-561-9000  
Fax: 609-704-1304

**To Commission:**

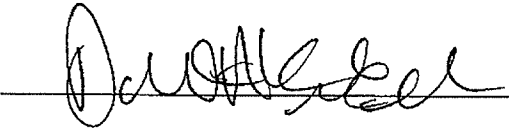
The State of New Hampshire  
Public Utilities Commission  
Attn: Henry J. Bergeron  
21 S. Fruit Street  
Suite 10  
Concord, New Hampshire 03301-2429  
Tel: 603-271-2431  
Fax: 603-271-3878

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 29 day of August, 2011.

*South Jersey Industries, Inc. (GUARANTOR)*

By: 

Printed: David A. Kindlick

Its: Chief Financial Officer  
(Executive/Authorized Officer)