

SOUTH JERSEY INDUSTRIES INC

Form 8-K

April 27, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)

of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 25, 2018

SOUTH JERSEY INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

New Jersey

1-6364

22-1901645

(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer Identification No.)

1 South Jersey Plaza, Folsom, NJ

08037

(Address of principal executive offices) (Zip Code)

(609) 561-9000

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On April 25, 2018, South Jersey Industries, Inc. (the “Company”) entered into a Note Purchase Agreement with the purchasers named therein (the “Note Purchase Agreement”) that provides for the issuance by the Company of an aggregate of \$250 million of senior unsecured notes. Pursuant to the Note Purchase Agreement, on April 25, 2018, the Company issued \$90 million aggregate principal amount of 3.18% Senior Notes, Series 2018A, due April 25, 2021 (the “Series 2018A Notes”). The Note Purchase Agreement also provides for the issuance of (a) \$80 million aggregate principal amount of the Company’s 3.78% Senior Notes, Series 2018B, due 2028, on the ten-year anniversary of the date of initial issuance (the “Series 2018B Notes”) and (b) \$80 million aggregate principal amount of the Company’s 3.88% Senior Notes, Series 2018C, due 2030, on the twelve-year anniversary of the date of initial issuance (the “Series 2018C Notes” and together with the Series 2018B Notes, the “Second Closing Notes”, and with the Series 2018A Notes, the “Notes”). The Company anticipates issuing the Second Closing Notes at future dates to be determined.

The Notes are unsecured. The Series 2018A Notes bear interest at the annual rate of 3.18%, with interest payable semiannually on April 25 and October 25 in each year, commencing on October 25, 2018. Subject to certain accelerating events, principal on the Series 2018A Notes, plus any accrued but unpaid interest, is payable on April 25, 2021.

In the event of a Change in Control (as defined in the Note Purchase Agreement), the Company is required to offer to prepay the Notes at their face amount together with interest accrued thereon to the date of such prepayment. In addition, in the event of the sale of a Substantial Part (as defined in the Note Purchase Agreement) of the assets of the Company and its subsidiaries, the Company may be required to use a portion of such proceeds to prepay or retire Senior Indebtedness of the Company and/or its subsidiaries, which term is defined in the Note Purchase Agreement and includes, among other things, the Notes.

The Company may prepay, at any time or from time to time, all or any portion of the Notes of a Series, in an amount not less than an aggregate of \$1,000,000 in the case of a partial prepayment, together with interest accrued thereon to the date of such prepayment as well as certain other amounts set forth below; provided that if a Default or an Event of Default (as such terms are defined in the Note Purchase Agreement) has occurred and is continuing at the time such notice is provided or on the prepayment date or if a Default or an Event of Default would result from the making of such prepayment, such prepayment shall be pro rata to the holders of all Notes then outstanding. In connection with the prepayment of a Note more than one month prior to its stated maturity, the Company must also pay a “make-whole amount,” to be calculated as provided in the Note Purchase Agreement.

The Company expects to use the proceeds from the sale of the Notes to fund a portion of the acquisition of the Elizabethtown Gas Company and Elkton Gas Company, including fees and expenses.

The Note Purchase Agreement contains customary representations, warranties and covenants, including a financial covenant limiting the ratio of Indebtedness of the Company and its subsidiaries on a consolidated basis to Consolidated Total Capitalization of not more than 0.70 to 1.0 (as such terms are defined in the Note Purchase Agreement), subject to increase, as detailed in the Note Purchase Agreement, upon certain step-up conditions, and customary events of default and acceleration of amounts payable upon an event of default.

The Note Purchase Agreement, including the forms of Notes, is attached as Exhibit 10.1 hereto and is incorporated by reference into this Item 1.01. The foregoing summary of the Note Purchase Agreement and the Notes are qualified in their entirety by reference to the full text of such documents.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Exhibit
<u>10.1</u>	Note Purchase Agreement dated as of April 25, 2018, between South Jersey Industries, Inc. and the purchasers listed therein, including the forms of Notes.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 27, 2018 SOUTH JERSEY
INDUSTRIES, INC.

By: /s/ Stephen H. Clark

Name: Stephen H. Clark

Title: Executive Vice President and Chief
Financial Officer
