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BOARD OF PUBLIC UTILITIES MAIL ROOM

Stacey M. Barnes, Esq.
Director, Legal Compliance

Office of General Counsel and Corporate Secretary

November 10, 2015

Honorable Irene Kim Asbury, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 9th Floor PO Box 350 Trenton, NJ 08625

Re:

In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Egg Harbor, Atlantic County BPU Docket No. <u>GE15070799</u>

Dear Secretary Asbury:

South Jersey Gas Company ("SJG") is in receipt of Rate Counsel's comments dated November 5, 2015 in the above captioned matter. SJG has no additional comments at this time. We hereby request that this matter be included on the Board's next available agenda.

Very truly yours,

Stacey M. Barnes, Esq. sbarnes@sjindustries.com

SMB/lnjm

Enclosure

cc:

Attached Service List (via email)

are Mynt

In the Matter of the Petition of South Jersey Gas Company for Approval of Municipal Consents

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South Jersey Gas Company

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P.O. BOX 003 TRENTON, NJ 08625 STEFANIE A. BRAND

Director

November 5, 2015

Via Hand-Delivery and Electronic Mail

Honorable Irene Kim Asbury, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 9th Floor P.O. Box 350 Trenton, NJ 08625-0350

Re:

In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Egg Harbor, Atlantic County BPU Docket No.: GE15070799

Dear Secretary Asbury:

Please accept for filing an original and ten copies of comments submitted on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel") concerning the above-referenced Verified Petition of South Jersey Gas Company ("SJG" or "Company") for approval of a municipal consent in the Township of Egg Harbor, Atlantic County. We enclose one additional copy. Please date stamp the copy as "filed" and return it to us in the enclosed self-addressed, stamped envelope. Thank you for your consideration and attention to this matter.

Background

The Company filed the above-referenced Petition on July 7, 2015, seeking approval, pursuant to N.J.S.A. 48:2-14, N.J.S.A. 48:3-15 and N.J.A.C. 14:1-5.5, of Township of Egg Harbor Ordinance 9-2015 granting the Company consent to provide natural gas utility service, and to construct and maintain pipes and related facilities in streets and other public areas, within the Township. SJG currently provides natural gas service to approximately 13,638 residential customers, 1,006 commercial customers and 8 industrial customers within the Township. Petition, ¶ 2. The Company anticipates customer growth within its service territory of approximately 1% annually for the next 3 to 5 years. Id. SJG represents that it has the capacity necessary to ensure a continuation of its natural gas service and does not foresee any concerns regarding its ability to meet the existing and future demands of the Township. Petition, ¶ 3.

The Company services its customers within the Township through its Pleasantville

Division customer service center located at 111 North Franklin Blvd., Pleasantville, New Jersey.

SJG anticipates that its Pleasantville Division will continue to service its customers in the

Township, with no changes in its location or hours of operation. Petition, ¶ 4.

The Township granted the Company consent and permission to provide natural gas utility service and to construct and maintain pipes and related facilities in streets and other public areas within the Township by Ordinance adopted on November 3, 1947. Petition, Exs. A and B. Pursuant to N.J.S.A. 48:3-15, the Company's right to use the streets within the Township for the provision of service statutorily expired on November 3, 1997. Petition, ¶ 6 and Ex. B.

In Ordinance 9-2015, adopted on April 22, 2015, the Township set forth certain limits on its renewed consent and permission to SJG, including limiting the consent to a period of fifty years, ending on November 3, 2047, being fifty years from the expiration in 1997 of the

Honorable Irene Kim Asbury, Secretary November 5, 2015 Page 4

- 2. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of any tangible or intangible assets now owned or hereafter to be owned by the Petitioner.
- 3. This Order shall not affect, nor in any way limit, the exercise of the authority of this Board or of this State, in any future Petition or in any proceedings with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any other matter affecting the Petitioner.

These provisions will satisfy the concerns of Rate Counsel that the Company is in compliance with the proper statutory framework, that Board approval is limited to the municipal consent, and that there is no authorization to include any specific assets or amounts in rate base, nor authorization for any other ratemaking treatment. If the Board adopts these conditions, Rate Counsel is not opposed to approval of the above-referenced Petition.

Respectfully submitted,

STEFANIE A. BRAND Director, Division of Rate Counsel

Bv:

Brian Weeks, Esq. Deputy Rate Counsel

c: Service List (by regular mail)
Electronic service to: Stacy A. Mitchell, Esq.

In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Egg Harbor, Atlantic County BPU Docket No.: GE15070799

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