



Agenda Date: 4/27/16

Agenda Item: IIE

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)	DECISION AND ORDER
JERSEY GAS COMPANY FOR APPROVAL OF A)	
MUNICIPAL CONSENT IN THE TOWNSHIP OF EGG)	
HARBOR, ATLANTIC COUNTY, NEW JERSEY)	DOCKET NO. GE15070799

Parties of Record:

Stacy M. Barnes, Esq., South Jersey Gas Company
Stefanie A. Brand, Esq., New Jersey Division of Rate Counsel

BY THE BOARD:

South Jersey Gas Company ("SJG" or "Company"), a regulated utility subject to the jurisdiction of the Board of Public Utilities ("Board"), is a corporation duly organized under the laws of the State of New Jersey engaged in the business of transmission and distribution of natural gas to approximately 360,000 customers within its service territory.

SJG currently provides natural gas service within the Township of Egg Harbor ("Township") to approximately 13,638 residential, 1,006 commercial customers, and 8 industrial customers. The Company's consent to use the streets within the Township for the provision of gas service expired on November 3, 1997,¹ pursuant to the fifty (50) year statutory limitation set forth in N.J.S.A. 48:3-15. On April 22, 2015, pursuant to Ordinance No. 9-2015, the Township renewed its consent and granted SJG continued permission to lay and construct its pipes, mains, and related appurtenances and facilities within the streets, alleys, squares and public places within the Township for a period of fifty (50) years to furnish gas service in the Township. By letter dated May 11, 2015, the Company accepted and agreed to the terms of the consent. Copies of the Ordinance and the letter of acceptance are attached to this Order as Exhibits "A" and "B" respectively.

¹ The Board notes that municipal consents often expire some time prior to their renewal even when the Company initiates the renewal process prior to the expiration of the previous term. This is primarily the result of the time necessary for a municipality to fulfill the legal requirements that attend to all formal actions it must take along with the additional time for hearing and Board approval as required by law. The Board has been assured that pending review of its petition, SJG has continued to provide service to its customers within the Township in an uninterrupted manner.

On July 14, 2015, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, SJG filed a petition requesting that the Board approve the consent adopted by the Township. As required by law and after notice, a hearing in this matter was held on September 28, 2015, William Agee, Esq., the Board's duly appointed hearing officer. Appearances were made on behalf of the Company, the Division of Rate Counsel ("Rate Counsel") and Board Staff. No other party participated in the hearing or filed any written submission with the Board related to this proceeding.

At the hearing, the Company relied on its petition and exhibits filed with the Board and presented the testimony of Joseph Schneider, its General Manager of System Engineering and Planning. Mr. Schneider testified that SJG is experiencing an increase in customers within its service territory due to conversion from other fuels to natural gas. According to the petition, SJG anticipates growth in its defined service territory to be approximately one (1) percent annually for the next three (3) to five (5) years. SJG further represents that it has the capacity to ensure continuation of its natural gas service and does not foresee any concerns regarding its ability to meet the existing and future demands of the Borough.

Rate Counsel, in its written comments to the petition dated November 5, 2015, indicated that it does not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty (50) years. However, Rate Counsel requests that approval of the petition include certain restrictions which are incorporated in this Order.

After a full review of the entire record, the Board **HEREBY FINDS** that the municipal consent for use of the streets, which is the subject of this matter, is necessary and proper for the public convenience and properly serves the public interest, and that SJG has the ability to continue to provide safe, adequate and proper service. The Board **FURTHER FINDS** that the Company has the necessary experience, financial capability, capacity, and facilities in the Township to continue to provide adequate and appropriate service to its existing customers, as well as expected future customers, and that the fifty (50) year duration of the municipal consent to use the streets is consistent with N.J.S.A. 48:3-15. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, **HEREBY APPROVES** the consent granted to SJG by the Township to continue to provide gas service, and for the continued use of its public streets for that purpose for a period of fifty (50) years.

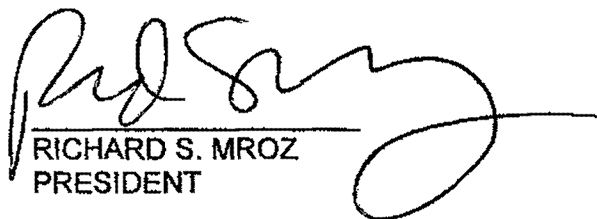
The approval granted hereinabove shall be subject to the following provisions:

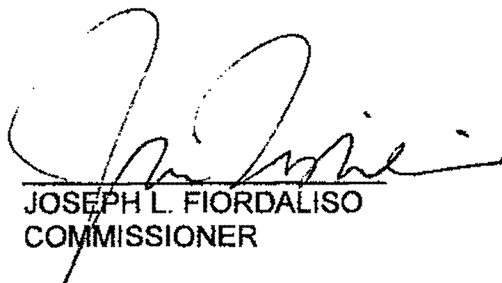
1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by SJG.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board of the State in any future petition or in any proceedings with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or in any other matters affecting SJG.

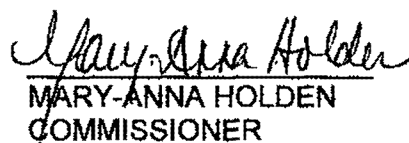
This Order shall be effective as of May 7, 2016.

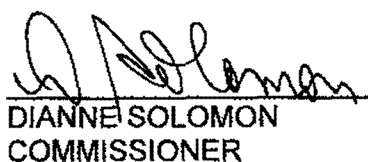
DATED: 4/27/16

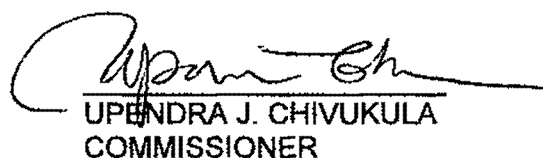
BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT

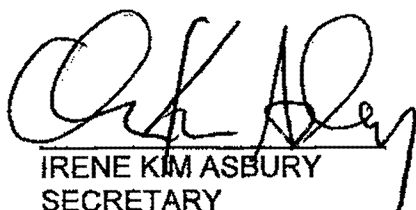

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

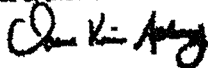

DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:


IRENE KIM ASBURY
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities



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,
NEW JERSEY - DOCKET NO. GE15070799

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Gloucester County
Attention: Kathy Van Scoy
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Paulsboro, NJ 08066

Clerk, Board of Chosen Freeholders
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Abbey Greenberg
Public Affairs Specialist
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Exhibit A

Egg Harbor Township

Ordinance No. 9

2015

AN ORDINANCE GRANTING RENEWED CONSENT AND PERMISSION TO SOUTH JERSEY GAS COMPANY TO USE THE PUBLIC STREETS TO FURNISH GAS FOR LIGHT, HEAT, AND POWER IN THE TOWNSHIP OF EGG HARBOR, COUNTY OF ATLANTIC AND STATE OF NEW JERSEY

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, provides natural gas service to customers located within the municipal boundaries of the Township of Egg Harbor pursuant to a municipal consent heretofore granted to South Jersey Gas Company by Ordinance adopted on November 3, 1947; and

WHEREAS, the consent to the use of streets, alleys, squares and public places within the Township of Egg Harbor (the "Municipal Consent") is limited by N.J.S.A. 48:3-15 to a term of fifty (50) years which expired in November of 1997; and

WHEREAS, notwithstanding the expiration of the term of the Municipal Consent, the South Jersey Gas Company has continued to provide service to customers within the Township of Egg Harbor in compliance with its statutory obligation under Title 48 of the New Jersey Statutes applicable to utility companies generally and gas utility companies specifically; and

WHEREAS, letter petition dated February 3, 2014, South Jersey Gas Company now seeks, pursuant to N.J.S.A. 48:3-15, to renew the Municipal Consent for an additional term; and

WHEREAS, pursuant to N.J.S.A. 48:3-15 a municipality is authorized to grant such consent for the right to use the street(s) petitioned for, by ordinance and not otherwise, for a period not exceeding fifty (50) years; and

WHEREAS, N.J.S.A. 48:3-13 requires that public notice shall be given by publication once a week for at least two weeks in one or more newspapers published and circulated in the municipality and by posting notice in five (5) of the most public places in the municipality for at least fourteen (14) days before the meeting of the governing body at which the application shall be considered; and

WHEREAS, having given due and proper consideration to the petition submitted on behalf of South Jersey Gas Company, having published and posted the notices required by law and having provided the opportunity for public comment;

NOW, THEREFORE, BE IT ORDAINED, by the Township Committee of the Township of Egg Harbor, County of Atlantic and State of New Jersey as follows:

SECTION 1. That consent and permission is hereby renewed and granted to South Jersey Gas Company (the "Company") to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Township of Egg Harbor in the manner prescribed by N.J.S.A. 48:9-21, and subject to reasonable regulations imposed by ordinance or resolution with respect to the opening of streets and public places, including street opening moratoriums.

SECTION 2. This consent is granted to the Company for the entire geographical area of the Township of Egg Harbor extending to the boundaries thereof, and shall remain in effect for a period ending November 3, 2047 being fifty (50) years from the expiration of the consent in 1997, subject to the right of the Company to seek such changes herein as it may deem necessary and reasonable from time to time prior to the expiration of said period.

SECTION 3. Throughout the full term of this ordinance, the Company, for itself, its successors and assigns, agrees to maintain its property within the Township of Egg Harbor in good order and shall furnish safe, adequate and proper service within the Township at just and reasonable rates as approved from time to time by the New Jersey Board of Public Utilities. At and after expiration of the term of this ordinance, the Company shall safeguard the public interest in continuous and uninterrupted services within the Township until such time as the Municipal Consent shall be renewed.

SECTION 4. As a condition of this Municipal Consent, whenever a curb line shall be established on streets where one does not now exist, or where an established curb line shall be relocated in order to change the width or realign an existing street in conjunction with road construction being performed by or at the direction of the Township, the Company shall change the location of its belowground facilities covered by this ordinance, so that the same shall be back of, and adjacent to, the new curb line so long as the Township has acted in accordance with applicable law and with reasonable care in establishing the new curb line and providing notice thereof. This requirement includes that the Township owns the existing or acquired right-of-way where the Company is being requested to locate or relocate facilities, and that the new curb line is properly established by ordinance, filed map and/or official map.

The Company shall bear the costs of such relocation so long as the relocation is for the purpose of construction, reconstruction, improvement or repair to streets, sidewalks, sewers, water mains, storm drains, and other Township utilities and infrastructure, and not solely for aesthetic

purposes or in, on, along, over or under any sewerage facility project as governed by N.J.S.A. 40A:26A-8.

SECTION 5 Following final passage of this ordinance, the Township Clerk shall provide the Company with written notice thereof by certified mail.

SECTION 6. As provided by N.J.S.A. 48:2-14 and all other applicable law, this ordinance shall not become effective until acceptance thereof by the Company and approval thereof by the State of New Jersey Board of Public Utilities.

SECTION 7. This ordinance shall cancel and supersede all prior consent ordinances between the Township and the Company regarding the subject matter hereof.

SECTION 8: All ordinances or parts of ordinances which are inconsistent with the provisions of this Ordinance are, to the extent of such inconsistency, hereby repealed.

SECTION 9: Should any section, clause, sentence, phrase or provision of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the remaining portions of this Ordinance.


SECTION 10: This Ordinance shall take effect upon final passage, adoption and publication in the manner prescribed by law.

NOTICE IS HEREBY GIVEN THAT THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF MARCH 18, 2015 AND WILL BE FURTHER CONSIDERED FOR FINAL PASSAGE AFTER A PUBLIC HEARING THEREON AT A REGULAR MEETING OF SAID TOWNSHIP COMMITTEE TO BE HELD IN THE TOWNSHIP HALL, IN SAID TOWNSHIP ON APRIL 22, 2015 AT 5:30 P.M.

Dated: March 18, 2015


Eileen M. Tedesco, RMC
Township Clerk

The undersigned certifies that this is a true copy of an Ordinance passed on first reading and adopted on April 22, 2015 by the Township Committee of the Township of Egg Harbor, County of Atlantic, State of New Jersey and was published in the official newspaper according to law.

Attest: 
Eileen M. Tedesco, RMC, Township Clerk

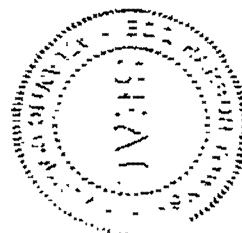


Exhibit B



Stacey M. Barnes, Esq.
Office of General Counsel and Corporate Secretary
General Manager, Regulatory Compliance

May 11, 2015

(Via email ETedesco@eghtgov.org)
Eileen M. Tedesco, Township Clerk/Registrar
Egg Harbor Township Municipal Building
3515 Bargaintown Road
Egg Harbor Township, NJ 08234

Re: Acceptance of Ordinance No. 9 Granting Municipal Consent to South Jersey Gas
Company to Use the Streets for the Provision of Natural Gas Service

Dear Ms. Tedesco:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 9 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the Township of Egg Harbor. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 9, as passed.

Please do not hesitate to call if you have any questions. Thank you.

Very truly yours,

Stacey M. Barnes, Esq.
General Manager, Legal Compliance
sbarnes@sjindustries.com

Enclosure

cc: John Stanziola, Director, Regulatory Affairs
Abbey Greenberg, Public Affairs Specialist