

Agenda Date: 4/27/16

Agenda Item: IIF

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### STATE OF NEW JERSEY

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

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IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF A MUNICIPAL CONSENT IN THE TOWNSHIP OF FAIRFIELD, CUMBERLAND COUNTY, NEW JERSEY	)	DECISION AND ORDER	
TAIN TELD, COMBENEATO COOMTT, MEW JERGET	)	DOCKET NO. GE15070800	

#### 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 Fairfield ("Township") to approximately 571 residential and 26 commercial customers. The Company's consent to use the streets within the Township for the provision of gas service expired on October 8, 2002, pursuant to the fifty (50) year statutory limitation set forth in N.J.S.A. 48:3-15. On December 9, 2014, pursuant to Ordinance No. 9-2014, 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 June 12, 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.

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

<sup>&</sup>lt;sup>1</sup> 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.

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 <u>HEREBY FINDS</u> 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 <u>FURTHER FINDS</u> 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 <u>N.J.S.A.</u> 48:3-15. Accordingly, the Board, pursuant to <u>N.J.S.A.</u> 48:2-14, <u>HEREBY APPROVES</u> 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:

- 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.
- 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:

BOARD OF PUBLIC UTILITIES BY:

RICHARD S. MROZ

PRESIDENT

JOSEPH L. FIORDALISO COMMISSIONER MARY ANNA HOLDEN COMMISSIONER

DIANNE SOLOMON COMMISSIONER

UP#NDRA J. CHIVUKULA COMMISSIONER

ATTEST:

IRENE KIM ASBURY SECRETARY

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

# IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF A MUNICIPAL CONSENT IN THE TOWNSHIP OF FAIRFIELD, CUMBERLAND COUNTY, NEW JERSEY - DOCKET NO. GE15070800

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#### Clerk Office:

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Clerk, Board of Chosen Freeholders 2 South Broad Street Woodbury, NJ 08096 Stacy Peterson
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### **South Jersey Gas Company:**

John Stanziola, Director Revenue Affairs South Jersey Gas Company One South Jersey Plaza Route 54 Folsom, NJ 08037

Robert Fatzinger South Jersey Gas Company One South Jersey Plaza Route 54 Folsom, NJ 08037

Stacey M. Barnes, Esq. South Jersey Gas Company One South Jersey Plaza Route 54 Folsom, NJ 08037

Abbey Greenberg
Public Affairs Specialist
South Jersey Gas Company
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Route 54
Folsom, NJ 08037

# Exhibit A

ORDINANCE NO. 9 - 2014

AN ORDINANCE GRANTING RENEWED CONSENT AND PERMISSION TO THE SOUTH IERSEY GAS COMPANY, A COUPORATION OF THE STATE OF NEW IERSEY, TO FURNISH GAS POR LIGHT, HEAT AND POWER IN THE TOWNSHIP OF FAREFELD, COUNTY OF CUMBERLAND AND STATE OF NEW JERSEY

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, provides natural gas service to the Tawaship of Parifield pursuant to the municipal consent first granted to South Jersey Oas Company in Ordinance No. 71 - 1952 passed on October 7, 1952;

WHERRAS. South Jersey Cas Company now seeks, pursuant to N.J.S.A. 48:3-15, the content of the Township of Fairfield to renew by adopting the fullowing Orthopics.

NOW, THERSPORE, 86 IT ORDAINED by the Township Committee of the Township of Pointield, County of Cumberland and State of New Jarsey as follows:

Section I. That exclusive and perpetual consent and permission to furnish gas for light, heat and provided in the Township of Fairfield, County of Cumberland and State of New Jersey, is hereby given and greated to South Jersey Gas Company, a corporation of the State of New Jersey, subject to approval of such consent and commission by the Board of Public Utilities of the State of New Jersey.

Section 2. That exclusive consent and permission is hereby given to South Josey Gas Company to by and construct its price and mains and related appartmenances and facilities within the streets, afters, squares and public places within the Tromeship of festifield in the meaner required by R.S. 42:9-21, and subject to reasonable regulations imposed by ordinance or resolution with respect to the opening of streets and public places, subject to approved of such connect and parmission by the Sound of Public Utilities.

Section 3. • The consents greated in Sections 1 and 2 are greated for the entire geographical area of the Township of Fairfield and extend to the boundaries of the Township of Fairfield.

Section 4. Towassed South Jersey Oas Company shall within thirty (10) days after the passage of this ordinance file with the Township Clerk a bond in the amount of as prescribed in the Code of the Township of Pairfield, conditioned upon the restraine of any street or public place which may be opened by it is a manner satisfactory to the Township Engineer.

This ordinance shall take offset after its final passage and publication according to law. Section 5.

TOWNSHIP COMMITTEE OF THE TOWNSHIP OF PAINTELD

MAYOR

INTRODUCTION/FIRST READING:

NOVEMBER 17, 2014

PUBLICHEXRING/SECOND READING:

DECSMBBR 9, 2014

ATTEST:

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was to just irue copy of Ordinanco No. 9 - 2014 adopted by the Township Committee at the

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Ugrd			7			
Marion			1		<u> </u>	
Pilita			7			
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# Exhibit B



Where we put all of our energy

Stacey M. Barnes, Esq.
Director, Legal Compliance
Office of General Counsel and Corporate Secretary

June 12, 2015

(Yis Certified Mall & E-mail; clerk@duirfieldtownshipml.org)

Township of Fairfield Attention: Linda M. Gonzales, RMC 70 Fairton-Gouldtown Road Fairton, New Jersey

Re:

Acceptance of Ordinance No. 9-2014 Granting Municipal Consent to South Jersey Gas Company to Use the Streets for the Provision of Natural Gas Service

Dear Mrs. Gonzales:

I am writing on behalf of South Iersey Gas Company ("SIG") to advise that we received a fully executed copy of Ordinance No. 9-2014 (copy attached) granting nunicipal consent for SIG to provide gas and lay its mains and pipes in the Township of Fairfield. Pursuant to the requirements of N.J.S.A. 48:3-16, SIG hereby accepts Ordinance No. 9-2014, as passed.

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

Very truly yours,

Stacey M. Barnes, Esq.
Director, Legal Compliance
sbarnes@alindustrics.com

SMB/Is

Enclosure

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

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