



South Jersey Gas

Where we put all of our energy®

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

for 11/17/15
NOV 16 2015
CMS

RECEIVED

NOV 16 2015

BOARD OF PUBLIC UTILITIES
MAIL ROOM

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 Borough of Chesilhurst, Camden County
BPU Docket No. GE15070802**

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)

Case 11/17/15

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

SERVICE LIST

BPU	Division of Law	Division of Rate Counsel	South Jersey Gas Company
William Agee Board of Public Utilities 44 South Clinton Avenue Trenton, NJ 08625 William.Agee@bpu.state.nj.us	Veronica Beke, DAG Dept. of Law & Public Safety Division of Law 124 Halsey Street Newark, NJ 07101 Veronica.beke@dol.lps.state.nj.us	Stefanie A. Brand, Esq. Division of Rate Counsel 140 East Front Street – 4 th Floor Trenton, NJ 08625 Sbrand@rpa.state.nj.us	Stacey M. Barnes, Esq. South Jersey Gas Company 1 South Jersey Plaza Folsom, NJ 08037 Sbarnes@sjindustries.com
Honorable Irene Kim Asbury Secretary, Board of Public Utilities 44 South Clinton Avenue Trenton, NJ 08625	Alex Moreau, DAG Dept. of Law & Public Safety Division of Law 124 Halsey Street Newark, NJ 07101 Alex.moreau@dol.lps.state.nj.us	Brian O. Lipman, Litigation Manager Division of Rate Counsel 140 East Front Street – 4 th Floor Trenton, NJ 08625 Blipman@rpa.state.nj.us	Robert Fatzinger South Jersey Gas Company 1 South Jersey Plaza Folsom, NJ 08037 Rfatzinger@sjindustries.com
Alice Bator Board of Public Utilities 44 South Clinton Avenue Trenton, NJ 08625 Alice.Bator@bpu.state.nj.us	Christopher Psihoules, DAG Dept. of Law & Public Safety Division of Law 124 Halsey Street Newark, NJ 07101 Christopher.psihoules@dol.lps.state.nj.us	Felicia Thomas-Friel, Esq. Division of Rate Counsel 140 East Front Street – 4 th Floor Trenton, NJ 08625 Fthomas@rpa.state.nj.us	Abbey Greenberg South Jersey Gas Company 1 South Jersey Plaza Folsom, NJ 08037 Agreenberg@sjindustries.com
Edward Beslow, Esq. Board of Public Utilities 44 South Clinton Avenue Trenton, NJ 08625 Edward.Beslow@bpu.state.nj.us	Babette Tenzer, DAG Dept. of Law & Public Safety Division of Law 124 Halsey Street Newark, NJ 07101 Babette.tenzer@dol.lps.state.nj.us	Brian Weeks, Esq. Division of Rate Counsel 140 East Front Street – 4 th Floor Trenton, NJ 08625 Bweeks@rpa.state.nj.us	Lindsey Miller South Jersey Gas Company 1 South Jersey Plaza Folsom, NJ 08037 Lmiller@sjindustries.com
Megan Lupo, Esquire Board of Public Utilities 44 South Clinton Avenue Trenton, NJ 08625 Megan.lupo@bpu.state.nj.us	Caroline Vachier Dept. of Law & Public Safety Division of Law 124 Halsey Street Newark, NJ 07101 Caroline.vachier@dol.lps.state.nj.us		
John Masiello Board of Public Utilities 44 South Clinton Avenue Trenton, NJ 08625 John.Masiello@bpu.state.nj.us			
Jerome May, Director Board of Public Utilities 44 South Clinton Avenue Trenton, NJ 08625 Jerome.May@bpu.state.nj.us			
Stacy Peterson Board of Public Utilities 44 South Clinton Avenue Trenton, NJ 08625 Stacy.Peterson@bpu.state.nj.us			



State of New Jersey
DIVISION OF RATE COUNSEL
140 EAST FRONT STREET, 4TH FL
P.O. BOX 003
TRENTON, NJ 08625

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

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 Borough of
Chesilhurst, Camden County
BPU Docket No.: GE15070802**

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 Borough of Chesilhurst, Camden 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 Borough of Chesilhurst Ordinance 2015-3 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 Borough. SJG currently provides natural gas service to approximately 347 residential customers and 22 commercial customers within the Borough. 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 Borough. Petition, ¶ 3.

The Company services its customers within the Borough through its Glassboro Division customer service center located at 142 South Main St., Glassboro, New Jersey. SJG anticipates that its Glassboro Division will continue to service its customers in the Borough, with no changes in its location or hours of operation. Petition, ¶ 4.

The Borough 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 Borough by Ordinance adopted on September 25, 1947. Petition, Ex. A. Pursuant to N.J.S.A. 48:3-15, the Company's right to use the streets within the Borough for the provision of service statutorily expired on September 25, 1997. Petition, ¶ 6 and Ex. A.

In Ordinance 2015-3, adopted on May 14, 2015, the Borough set forth certain limits on its renewed consent and permission to SJG, including limiting the consent to a period of fifty years from the date of its final adoption. Petition, ¶ 7 and Ex. B. On June 8, 2015, the Company

accepted and agreed to the terms and conditions of the municipal consent in Ordinance 2015-3, pursuant to N.J.S.A. 48:3-16. Petition, ¶ 8 and Ex. C.

At the hearing held by the hearing officer for the Board of Public Utilities on this Petition on September 28, 2015, Joseph R. Schneider, General Manager of System Engineering and Planning, testified that the Company has the capacity to meet the existing and future needs of customers located within the municipality. 7T:L18-21 & 9T:L7-20 (9/28/15). No member of the public appeared at the hearing and no one has contacted our office with any objection regarding this matter.

Rate Counsel Position

The Company represents that it has the capacity necessary to continue providing natural gas service to its customers located in the Borough. Petition, ¶ 3. For this reason, and the fact that the municipal consent in Ordinance 2015-3 is limited to the statutorily required fifty year term limit, Rate Counsel does not object to approval of SJG's Petition. Rate Counsel recommends that the Board's Order specifically provide that its approval does not include authorization to include in rate base any specific assets that may be constructed as a result of approval of this Petition. The determination of any assets to be included in rate base and any ratemaking impacts as a result of the municipal consent should be addressed in a future base rate case or other appropriate proceeding.

Accordingly, Rate Counsel recommends that any Board Order approving the Company's Petition contain the following language:

1. As required by N.J.S.A. 48:3-15, the municipal consent for the use of streets and other public places is limited to a term not exceeding fifty years.

Honorable Irene Kim Asbury, Secretary

November 5, 2015

Page 4

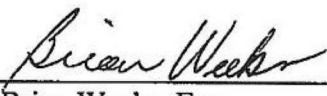
2. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of any tangible or intangible assets now owned or hereafter to be owned by the Petitioner.
3. This Order shall not affect, nor in any way limit, the exercise of the authority of this Board or of 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

By: 

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 Borough of Chesilhurst,
Camden County
BPU Docket No.: GE15070802

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

Stefanie A. Brand, Director
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Brian O. Lipman, Litigation Manager
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Brian Weeks, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Shelly Massey, Paralegal
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Jerome May, Director
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Edward Beslow, Esq.
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Megan Lupo
NJ Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

William Agee, Esq.
NJ Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

John Masiello
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Stacy Peterson
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

Alice Bator
NJ Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

Alex Moreau, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Veronica Beke, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Babette Tenzer, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Caroline Vachier, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Christopher Psihoules, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

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
One South Jersey Plaza
Route 54
Folsom, NJ 08037

Stacy A. Mitchell, Esq.
Cozen O'Connor
457 Haddonfield Road, Suite 300
P.O. Box 5459
Cherry Hill, NJ 08002

Ira G. Megdal, Esq.
Cozen O'Connor
457 Haddonfield Road, Suite 300
P.O. Box 5459
Cherry Hill, NJ 08002

Borough of Chesilhurst
Attention: Gloria D. Rose
201 Grant Avenue
Chesilhurst, NJ 08089

Clerk, Board of Chosen Freeholders
Courthouse, 8th Floor
520 Market Street
Camden, NJ 08102

Ross Angilella, County Administrator
Courthouse, 6th Floor
520 Market Street
Camden, NJ 08102