

Agenda Date: 4/27/16 Agenda Item: IJJ

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 JERSEY GAS COMPANY FOR APPROVAL OF A MUNICIPAL CONSENT IN THE BOROUGH OF NEWFIELD, GLOUCESTER COUNTY, NEW JERSEY))	DECISION AND ORDER DOCKET NO. GE15070796

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 Borough of Newfield ("Borough") to approximately 900 residential, 60 commercial customers, and 5 industrial customers. The Company's consent to use the streets within the Borough for the provision of gas service expired on October 6, 1997, pursuant to the fifty (50) year statutory limitation set forth in N.J.S.A. 48:3-15. On May 14, 2015, pursuant to Ordinance No. 2015-9, the Borough 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 Borough for a period of fifty (50) years to furnish gas service in the Borough. By letter dated June 8, 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 Borough 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 Borough. 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 <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 Borough 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 Borough 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 **COMMISSIONER** DIANNE SOLOMON COMMISSIONER 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 BOROUGH OF NEWFIELD, GLOUCESTER COUNTY, NEW JERSEY - DOCKET NO. GE15070796

SERVICE LIST

Rate Counsel:

Stefanie A. Brand, Esq., Director Division of Rate Counsel 140 East Front Street, 4th floor Post Office Box 003 Trenton, NJ 08625-0003 sbrand@rpa.state.nj.us smassey@rpa.state.nj.us

Brian Lipman, Litigation Manager Division of Rate Counsel 140 East Front Street, 4th floor Post Office Box 003 Trenton, NJ 08625-0003 blipman@rpa.state.nj.us

Brian Weeks, Esq.
Division of Rate Counsel
140 East Front Street, 4th floor
Post Office Box 003
Trenton, NJ 08625-0003
bweeks@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
140 East Front Street, 4th floor
Post Office Box 003
Trenton, NJ 08625-0003
fthomas@rpa.state.nj.us

Shelly Massey, Paralegal Division of Rate Counsel 140 East Front Street, 4th floor Post Office Box 003 Trenton, NJ 08625-0003 smassey@rpa.state.nj.us

Deputy Attorneys General:

Alex Moreau, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
alex.moreau@dol.lps.state.nj.us

Board of Public Utilities:

Irene Kim Asbury, Esq.
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Irene Asbury@bpu.state.ni.us

William Agee, Esq.
Legal Specialist
Counsel's Office
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
William Agee@bpu.state.nj.us

Maureen Wagner, Esq.
Legal Specialist
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Maureen.Wagner@bpu.state.nj.us

Megan Lupo, Esq.
Legal Specialist
Counsel's Office
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
megan.lupo@bpu.state.nj.us

Jerome May, Director
Division of Energy
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
jerome.may@bpu.state.nj.us

Christopher Psihoules, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
patricia.krogman@dol.lps.state.nj.us

Carolyn Vachier, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
caroline.vachier@dol.lps.state.nj.us

Veronica Beke, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
Veronica, Beke@lps.state.nj.us

Cozen O'Connor:

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

Clerk Office:

Clerk, Borough of Paulsboro Gloucester County Attention: Kathy Van Scoy 1211 Delaware Street Paulsboro, NJ 08066

Clerk, Board of Chosen Freeholders 2 South Broad Street Woodbury, NJ 08096 Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
stacy.peterson@bpu.state.nj.us

John Masiello
Division of Reliability and Security
Board of Public Utilities
44 South Clinton Avenue, 2nd Floor
Post Office Box 350
Trenton, NJ 08625-0350
john.masiello@bpu.state.nj.us

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
One South Jersey Plaza
Route 54
Folsom, NJ 08037

Exhibit A

ORDINANCE NO. 2015-9

AN OFDINANCE GRANTING RENEWED CONSENT AND PERMISSION TO SOUTH JERSEY GAS COMPANY TO USE THE PUBLIC STREETS TO FURNISH GAS FOR LIGHT, HEAT AND POWER IN NEWFIELD

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, provides natural gas service to NEWFIELD pursuant to the municipal consent first granted to South Jersey Gas Company in that certain Ordinance passed on October 6, 1947; and

WHEREAS, South Iersey One Company now seeks, pursuant to N.I.S.A. 48:3-15, the consent of NEWFIELT to recew no Ordinance from 1947 GIVING AND GRANTING CONSENT AND PERMISSION TO SOUTH JERSEY GAS COMPNAY TO FURNISH GAS FOR LIGHT, HEAT AND POWER IN THE BOROUGH OF NEWFIELD IN THIS COUNTY OF GLOUCESTER applicable to the use of the streets in NEWFIELD by adopting the following Ordinance:

NOW, THEREFORE, BE IT ORDAINED by MAYOR AND COUNCIL of Newfield, County of Oloucester and State of New Jersey as follows:

Section 1. That exclusive consent and permission is hereby renowed and granted to South Iorsey Cas Company to lay and construct its pipes and mains and related appurtmances and facilities within the streets, alleys, squares and public places within NEWFELD in the manner prescribed by NLS.A. 48:9-21, and subject to reasonable regulations imposed by ordinance or resolution with respect to the opening of streets and public places, subject to approval of such consent and permission by the Board of Public Utilities.

Section 2. This consent is granted for the entire geographical area of NEWFIELD and extend to the boundaries of NEWFIELD and shall remain in effect for a period of fifty (50) years from the date of final adoption of this Ordinance.

Section 3. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by any Court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.

Section 4. This Ordinance shall take effect immediately upon posting, publication, final passage in the manner prescribed by law, and acceptance by South Jersey Gas Company.

CERTIFICATION

I, TONI L. VAN CAMP, Clerk of the Borough of Newfield, do hereby certify that the foregoing Ordinance was passed on first reading at a special meeting of the Mayor and Council of the Borough of Newfield held. April 9, 2015, and will be considered for a final adoption and public hearing at the next regular meeting of Mayor and Council held on May 14, 2015.

TONI L VAN CAMP, Clerk

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Exhibit B



Stacey M. Barnes, Esq. Director, Legal Compliance

Office of General Counsel and Corporate Secretary

June 8, 2015

(Via Certified Mail & E-mail: tvancamp@newfieldboro.org)
Toni L. Van Camp
Borough of Newfield
18 Catawba Avenue
Newfield, NJ 08344

Re: Acceptance of Ordinance No. 2015-9 Granting Municipal Consent to South Jersey Gas Company to Use the Streets for the Provision of Natural Gas Service

Dear Mrs. Van Camp:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 2015-9 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the Borough of Newfield. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 2015-9, 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@siindustries.com

SMB/Is

Enclosure

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

> 1 South Jersey Plaza, Folsom, New Jersey 08037 + www.sjindustries.com Tel: 609-561-9000 + Fax 809-561-1012 + TDD Only 1-800-547-9085