



Agenda Date: 4/12/23
Agenda Item: IIA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY)
NATURAL GAS COMPANY FOR APPROVAL OF A)
MUNICIPAL FRANCHISE IN THE TOWNSHIP OF)
OCEAN, OCEAN COUNTY)
)
) ORDER APPROVING
RENEWAL OF FRANCHISE
AGREEMENT
DOCKET NO. GE22100659

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Andrew K. Dembia, Esq., New Jersey Natural Gas Company

BY THE BOARD:

New Jersey Natural Gas Company (“NJNG” or “Company”), a regulated public utility subject to the jurisdiction of the New Jersey Board of Public Utilities (“Board”), is a corporation duly organized under the laws of the State of New Jersey, and engaged in the distribution and transportation of natural gas to approximately 565,000 residential, commercial and industrial customers located in Monmouth and Ocean Counties, parts of Middlesex, Burlington, and Morris counties in New Jersey.

NJNG currently provides natural gas service within the Township of Ocean (“Township”) to 4,023 residential customers and 290 commercial customers. The Company’s five-(5) year consent to lay, maintain, and operate gas facilities within a specified portion of the Township for the provision of gas service expired on December 1, 2022.¹ On October 18, 2022 by Ordinance 2022-17 (“Ordinance”), the Township renewed NJNG’s franchise for a period of 20 years, and granted NJNG consent to lay, maintain, and operate gas facilities in the Township. A copy of the Ordinance is attached to this Order as Exhibit “A”. By letter to the Township dated October 21, 2022, NJNG accepted and agreed to the terms and conditions of the Ordinance consistent with N.J.S.A. 48:3-16. Copies of the letter of acceptance and the hearing notice are

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, NJNG represents that it has continued to provide service to its customers within the Borough in an uninterrupted manner.

attached to this Order as Exhibits “B” and “C”, respectively.

On October 24, 2022, NJNG filed a petition with the Board, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, seeking approval of a franchise renewal agreement granted by the Township (“Petition”). As required by law and after notice, a hearing in this matter was held on December 13, 2022. Heather Weisband, Esq., the Board’s duly appointed Hearing Officer, presided over the hearing. Appearances were made on behalf of the company, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff. No other party participated in the hearing or filed any written comments with the Board related to this matter.

At the hearing, the Company relied on its Petition and exhibits filed with the Board, and presented the testimony of Joseph Puglisi, Managing Engineer. According to Mr. Puglisi’s testimony and discovery responses, NJNG anticipates growth in the Township over the next five (5) years of approximately 10 to 25 customers. Mr. Puglisi also testified that the Company has the capacity to meet the anticipated level of growth within the municipality and has no plans to change its gas distribution system within the Township.

Rate Counsel submitted written comments dated February 14, 2023, indicating that it does not object to the Company’s Petition since the Company represented that it has the capacity necessary to continue to provide natural gas service to the Township. However, Rate Counsel requested that approval of the Petition include certain restrictions which are incorporated in this Order.

DISCUSSIONS AND FINDINGS

After careful review and consideration of the Petition and exhibits submitted in this matter, the Board **HEREBY FINDS** that the renewal of the franchise agreement granted to NJNG by the Township of Ocean is necessary and proper for the public convenience and to properly serve the public interest, and that NJNG 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, and that the 20-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 NJNG by the Township to provide gas service, and for the continual use of its public streets for that purpose for a period of 20 years.

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

1. As required by N.J.S.A. 48:3-15, and limited by the Ordinance, the municipal consent to construct, maintain and operate gas lines in the streets and other public places in the Township is limited to a term not exceeding 20 years.
2. 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 NJNG.
3. This Order shall not affect, nor in any way limit, the exercise of the authority of this Board or 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 NJNG.

The effective date of this Order is April 19, 2023.

DATED: April, 12, 2023

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:


SHERRI L. GOLDEN
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 NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF A
MUNICIPAL FRANCHISE IN THE TOWNSHIP OF OCEAN, OCEAN COUNTY

DOCKET NO. GE22100659

SERVICE LIST

Township of Ocean

Ms. Diane B. Ambrosio, Municipal Clerk
Ocean Township
50 Railroad Avenue
Waretown, NJ 08758
clerk@twooceannj.gov

Ms. Betty Vasil, Clerk of the Board
Ocean County Board of Chosen Freeholders
Administration Building
101 Hooper Avenue
P.O. Box 2191
Toms River, NJ 08754

Mr. Scott M. Colabella, County Clerk
Ocean County Supreme Court
Administration Building
118 Washington Street
P.O. Box 2191
Toms River, NJ 08754
Scolabella@co.ocean.nj.us

New Jersey Natural Gas Company

1415 Wyckoff Road, P.O. Box 1464
Wall, NJ 07719

Andrew Dembia, Esq., Regulatory Affairs Counsel
adembia@njng.com

Susan Fastuca
sfastuca@njng.com

New Jersey Division of Law

Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625

Pamela Owen, ASC, DAG
pamela.owen@law.njoag.gov

Terel Klein, DAG
terel.klein@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Daren Eppley, SC, DAG
daren.eppley@law.njoag.gov

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri L. Golden, Board Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Office of the Chief Counsel

Carol Artale, Deputy General Counsel
carol.artale@bpu.nj.gov

Heather Weisband, Senior Counsel
heather.weisband@bpu.nj.gov

Division of Water and Energy

Mike Kammer, Director
mike.kammer@bpu.nj.gov

Malike Cummings, Deputy Director
malike.cummings@bpu.nj.gov

Dean Taklif
dean.taklif@bpu.nj.gov

Sri Medicherla
sri.medicherla@bpu.nj.gov

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625

Brian O. Lipman, Esq., Director
blipman@rpa.nj.gov

Maura Caroselli, Esq., Managing Attorney
mcaroselli@rpa.nj.gov

Brian Weeks, Esq.,
bweeks@rpa.nj.gov

Carlana Morrison, Paralegal
cmorrison@rpa.nj.gov

Exhibit A:
Resolution

ORDINANCE 2022-17

ORDINANCE OF THE TOWNSHIP OF OCEAN, OCEAN COUNTY, NEW JERSEY, CONSENTING TO THE FRANCHISE RENEWAL RIGHTS FOR NEW JERSEY NATURAL GAS COMPANY TO LAY AND MAINTAIN GAS MAINS, PIPES, AND SERVICE PIPES, IN AND UNDER THE SURFACE OF ANY OR ALL OF THE ROADS, STREETS, AVENUES, HIGHWAYS, AND PUBLIC PLACES, FOR THE PURPOSE OF FURNISHING NATURAL GAS TO THE TOWNSHIP OF OCEAN

WHEREAS, New Jersey Natural Gas Company obtained the consent of this municipality to exercise its franchise rights by Ordinance 2017-8 dated July 13, 2017, to lay and maintain gas mains, pipes and service pipes in and under the surface of any or all of the roads, streets, avenues, highways, and public places, for the purpose of furnishing gas therein, and

WHEREAS, said consent is limited to a period of twenty (20) years, and by the terms thereof, expires October 1, 2042; and

WHEREAS, New Jersey Natural Gas Company is desirous of obtaining consent of the Municipality to continue service in the Municipality.

NOW, THEREFORE, BE IT ORDAINED by the Township Council of the Township of Ocean, in the County of Ocean, and State of New Jersey, as follows:

SECTION I. New Jersey Natural Gas Company be and is hereby authorized to lay, maintain, and operate its conductors, mains, and pipes, together with the appurtenances therein, in all the public streets, alleys, squares and public places in this municipality which are under the control and jurisdiction of the Township of Ocean for the purpose of conducting, transmitting and distributing gas, or any mixture of gases of various types including natural gas, for a period of twenty (20) years from the date hereof, upon the following terms and conditions:

- A.) New Jersey Natural Gas Company shall agree that, in all cases in which street openings or excavations are made for the purposes aforesaid, the pavement and the surface of the streets, alley, squares or roadways shall be restored to the same condition as existed prior to the opening thereof; and
- B.) New Jersey Natural Gas Company shall conduct the work or the laying or maintaining of gas pipes therein in a careful and prudent manner;
- C.) New Jersey Natural Gas Company shall file with the Clerk of this Municipality, within sixty (60) days from the date hereof, its acceptance of the terms and provisions of the franchise consent herein granted and its agreement to be bound by the terms and provisions thereof.

- D.) The terms of the franchise incorporated within this ordinance shall not become effective until approved by the Board of Public Utilities of the State of New Jersey.

BE IT FURTHER ORDAINED that prior to the beginning of any street openings or excavations for the purposes aforesaid, New Jersey Natural Gas Company shall apply, in writing, on forms to be supplied by New Jersey Natural Gas Company, to the Township Clerk, acting as agent of this governing body for permission to make any street opening or excavation.

SECTION II. Any section, subsection, clause, phrase, ordinances, or parts of Ordinances inconsistent herewith are hereby repealed.

SECTION III. This Ordinance shall take affect after second reading and publication as required by law.

NOTICE

NOTICE IS HEREBY GIVEN that the foregoing Ordinance was introduced and passed by the Township Committee of the Township of Ocean on first reading at a meeting held on the 16th day of August, 2022. The Ordinance will be considered for second and final reading at a meeting of the Township Committee which is scheduled for the 18th day of October, 2022, at 6:00 p.m., or as soon thereafter as the matter may be reached, at the Municipal Building located at 50 Railroad Avenue, Waretown, New Jersey, at which time the public is invited to ask questions, raise objections, or provide public comment with regard to the proposed adoption of this Ordinance.


DIANE B. AMBROSIO, RMC, CMC
Township Clerk



Exhibit B:
Letter of Acceptance



October 21, 2022

Via Electronic Delivery

Honorable Diane B. Ambrosio, RMC CMR
Administrator/Municipal Clerk
Township of Ocean, Ocean County
50 Railroad Avenue
Waretown, New Jersey 08758

Re: **ORDINANCE OF THE TOWNSHIP OF OCEAN, OCEAN COUNTY, NEW JERSEY, CONSENTING TO THE FRANCHISE RENEWAL RIGHTS FOR NEW JERSEY NATURAL GAS COMPANY TO LAY AND MAINTAIN GAS MAINS, PIPES, AND SERVICE PIPES, IN AND UNDER THE SURFACE OF ANY AND ALL OF THE ROADS, STREETS, AVENUES, HIGHWAYS, AND PUBLIC PLACES, FOR THE PURPOSE OF FURNISHING NATURAL GAS TO THE TOWNSHIP OF OCEAN ORDINANCE 2022-17**

Dear Ms. Ambrosio:

New Jersey Natural Gas Company ("NJNG") hereby accepts the terms and provisions of the franchise consent granted by the Township Council on October 18, 2022 and hereby agrees to be bound by the terms and provisions thereof. See Ordinance 2022-17 attached hereto.

Please be advised that NJNG will submit the Ordinance to the New Jersey Board of Public Utilities for approval.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K. Dembia'.

Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

AKD:sf

Exhibit C:
Hearing Notice



November 21, 2022

VIA ELECTRONIC TRANSMISSION

Diane B. Ambrosio, RMC
Municipal Clerk
Township of Ocean
50 Railroad Avenue
Waretown, New Jersey 08758

Scott Colabella, County Clerk
Ocean County
118 Washington Street
Toms River, N.J. 08754

Michael Fiure, County Administrator
Ocean County
101 Hooper Ave. Admin Building
Toms River, NJ 08754-2191

**RE: In the Matter of the Petition of New Jersey Natural Gas Company for
the Approval of a Municipal Franchise in the Township of Ocean,
Ocean County
BPU Docket No. GE22100659**

Dear the Parties Addressed:

Pursuant to the provisions of N.J.S.A. 48:2-14, New Jersey Natural Gas Company ("NJNG") has applied to the New Jersey Board of Public Utilities ("Board") for approval of the Township of Ocean's ("Township") Ordinance No. 2022-17, which granted NJNG permission to provide natural gas service in the Township as provided in said Ordinance. Please be advised that the Board has set December 13, 2022 at 9:00am EST, as the date and time for the Municipal Consent Hearing. Due to the COVID-19 pandemic, this Municipal Consent Hearing will be held via Zoom. The Zoom log-in information is as follows:

<https://zoom.us/j/2458136397?pwd=S1pxamxGV3RNdHJ0T3A0UGVFOHFkQT09>
Passcode: 871017

My assistant, Susan Fastuca, is the Zoom meeting organizer. A Zoom meeting invitation will be sent to you in advance of the scheduled date for this Municipal Consent Hearing. You are welcome to participate in the Zoom meeting to put your views on the record if you so desire. Also, notice of the hearing is posted on the Company's web site, njng.com, so interested members of the public may view the hearing.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K. Dembia'.

Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

AKD:sf
C: Service List