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April 2, 2025

**Via E-Mail & E-Filing**

Sherri L. Golden, Secretary  
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Re: In the Matter of the Petition of New Jersey Natural Gas Company for a  
Determination Concerning the Hazlet Regulator Station Pursuant to  
N.J.S.A. 40:55D-19  
BPU Docket No. \_\_\_\_\_

Dear Secretary Golden:

On behalf of New Jersey Natural Gas Company ("NJNG" or "Company"), enclosed for filing please find a Verified Petition, including supporting testimony and exhibits, appealing a decision of the Hazlet Township Land Use Board denying the Company's application for the construction of a proposed regulator station (the "Regulator Station" or "Facility") pursuant to N.J.S.A. 40:55D-19. As set forth in the Petition, the Company respectfully requests that the Board determine that the construction of the proposed Regulator Station, at 455 and 469 South Laurel Avenue in Hazlet Township ("Hazlet"), is necessary to maintain gas system reliability, is necessary for the service, convenience or welfare of the public, and that no alternative site or sites are reasonably available to achieve an equivalent public benefit. NJNG therefore requests that the Board issue an order concluding that the zoning, site plan review and all other Municipal Land Use Ordinances or Regulations promulgated under the auspices of Title 40 of the New Jersey Statutes and the Municipal Land Use Law of the State of New Jersey shall not apply to the proposed Facility, and authorizing the Company to construct the Facility as set forth in the Petition and supporting testimony and exhibits.



Sherri Golden, Secretary  
Board of Public Utilities  
April 2, 2025  
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Consistent with the Order issued by the Board of Public Utilities (the “Board” or “BPU”) dated March 19, 2020, in connection with Docket No. EO20030254, this document is being electronically filed with the Secretary of the Board and served by email on the attached Service List, except that Hazlet Township and the Hazlet Land Use Board are being served by Federal Express.

Respectfully submitted,

s/Michael S. Kettler  
Michael S. Kettler

MSK/ji

cc: Attached Service List

**IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR  
A DETERMINATION CONCERNING THE HAZLET REGULATOR STATION PURSUANT  
TO N.J.S.A. 40:55D-19  
BPU Docket No. \_\_\_\_\_**

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**IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR  
A DETERMINATION CONCERNING THE HAZLET REGULATOR STATION PURSUANT  
TO N.J.S.A. 40:55D-19  
BPU Docket No. \_\_\_\_\_**

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4899-0493-4190, v. 1



**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

<b>IN THE MATTER OF THE PETITION OF</b>	<b>:</b>	<b>VERIFIED PETITION</b>
<b>NEW JERSEY NATURAL GAS COMPANY</b>	<b>:</b>	
<b>FOR A DETERMINATION CONCERNING</b>	<b>:</b>	
<b>THE HAZLET REGULATOR STATION</b>	<b>:</b>	<b>DOCKET NO.</b>
<b>PURSUANT TO <u>N.J.S.A.</u> 40:55D-19</b>	<b>:</b>	
	<b>:</b>	

**To:                   THE HONORABLE COMMISSIONERS OF  
                          THE NEW JERSEY BOARD OF PUBLIC UTILITIES**

Petitioner, New Jersey Natural Gas Company (“Petitioner,” “NJNG” or the “Company”), respectfully petitions the New Jersey Board of Public Utilities (the “Board” or “BPU”), pursuant to N.J.S.A. 40:55D-19, as follows:

1.       NJNG appeals to the Board from a decision of the Hazlet Township Land Use Board (“Land Use Board”) denying the Company’s application for the construction of a proposed regulator station (the “Regulator Station” or “Facility”) at 455 and 469 South Laurel Avenue in Hazlet Township, New Jersey (“Hazlet”). The Company respectfully requests, pursuant to N.J.S.A. 40:55D-19 and N.J.S.A. 48:2-23, and any other statutes or rules deemed applicable, that the Board determine that the construction of the Facility for the benefit of the residents of Hazlet and neighboring municipalities in Monmouth County, as more fully described herein, is: (a) necessary to maintain system integrity and reliability and the provision of reliable natural gas supply service; and (b) necessary for the service, convenience or welfare of the public, and that no alternative site or sites are reasonably available to achieve an equivalent public benefit. Accordingly, NJNG requests that the Board issue an Order concluding that the zoning, site plan review and all other Municipal Land Use Ordinances or Regulations promulgated under the auspices of Title 40 of the New Jersey Statutes and the Municipal Land

Use Law of the State of New Jersey (the “MLUL”) shall not apply to the proposed Facility, and the Company may proceed with the construction of the Facility as described in this Petition and accompanying testimony and exhibits notwithstanding any determination of the Hazlet Land Use Board.

## **I. BACKGROUND**

2. NJNG is a corporation duly organized under the laws of the State of New Jersey, and is a public utility engaged in the transportation and distribution of natural gas, and thereby subject to the jurisdiction of the Board, with a principal business office located at 1415 Wyckoff Road, Wall, New Jersey 07719. As a local natural gas distribution company, NJNG provides regulated retail natural gas service to approximately 587,000 customers in Monmouth and Ocean Counties, as well as portions of Burlington, Middlesex and Morris Counties.

3. Communications and correspondence relating to this filing should be sent to:

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4. This Petition is accompanied by the proposed Facility information and the following Exhibits, which are attached hereto and made part of this Petition:

Exh. P-1 – Direct Testimony of Kraig Sanders  
(Need for the Facility)

Exh. P-2 – Direct Testimony of Marc Panaccione  
(Construction and Design, Site  
Location and Alternatives)

Exh. P-3 – Facility Site Plan with Landscaping

Exh. P-4 – Aerial View of Site

Exh. P-5 – Map of System in Hazlet with Zoning

Exh. P-6 – Photo of Frozen Regulator

Exh. P-7 – Excerpt of Transcript of Hazlet Land  
Use Board – Final Vote (February 26,  
2025)

5. NJNG is serving notice and a copy of this filing, together with a copy of the annexed Exhibits being filed herewith, upon those individuals identified in the attached service list, including the Director, Division of Rate Counsel, Deputy Attorneys General from the Public

Utility Section of the Division of Law – Office of the Attorney General, the Secretary of the Hazlet Land Use Board and the Clerk of Hazlet Township. As is customary practice before the Board of Public Utilities, service is by email, except that the Hazlet Township officials are being served by Federal Express.

6. As a natural gas “public utility,” as that term is defined in N.J.S.A. 48:2-13, NJNG is subject to regulation by the Board for the purpose of assuring that it provides safe, adequate and proper natural gas service to its customers pursuant to N.J.S.A. 48:2-23. As a result, the Company is obligated to, and does, maintain its public utility infrastructure in such condition as to enable it to meet its regulatory obligations to provide the requisite service. That infrastructure consists of the property, plant, facilities and equipment within NJNG’s natural gas distribution and transmission system throughout its service territory.

7. NJNG is committed to providing safe, adequate and proper service in accordance with N.J.S.A. 48:2-23. Consistent with industry practice and its ordinary capital spending planning cycle, NJNG engages continuously in the construction, operation and maintenance of its public utility infrastructure, including the property, plant, facilities and equipment that comprise the natural gas distribution and transmission system utilized to serve the approximately 587,000 customers throughout the NJNG service territory. This effort includes the replacement, reinforcement and expansion of the Company’s infrastructure (*i.e.*, its property, plant, facilities and equipment) to maintain the reliability of its distribution and transmission system and to ensure the continuation of safe, adequate and proper service.

8. In furtherance of its commitment to maintain the reliability and safety of its transmission and distribution system, NJNG seeks with this Petition Board authorization pursuant to N.J.S.A. 40:55D-19, and thus requests that the Board determine that the construction

and installation of the proposed Facility is necessary for the service, convenience or welfare of the public, and that no alternative site or sites are reasonably available to achieve an equivalent public benefit. As demonstrated below, and in the accompanying testimony and exhibits, the Facility is required in order to maintain the integrity and reliability of NJNG's local distribution system because it will allow the Company to reliably and safely achieve the significant reduction in gas pressure (a change of approximately 600 pounds per square inch gauge ("psig")) from the transmission system in Hazlet to the distribution system that ultimately delivers gas to customers in Hazlet and surrounding municipalities. The design of the Regulator Station -- particularly, an accompanying above-ground heating unit -- will prevent the regulators and associated facilities at the Regulator Station from freezing and becoming encased in thick ice, a condition that can result in a loss of service to the local distribution system.

## **II. HAZLET REGULATOR STATION FACILITY DESCRIPTION**

9. The Regulator Station is a natural gas pressure reduction facility that will consist of a filter, heater, two regulator runs and associated piping. The Regulator Station will have two regulator runs, one serving the system operating at a maximum allowable operating pressure ("MAOP") of 125 psig (pump system) and one serving the system operating at an MAOP of 35 psig (distribution lines), to ensure the reliability, safety and adequacy of gas delivery to NJNG's customers. Each run consists of two lines, and each line will have two regulators for redundancy. The redundancy of regulators is an industry best practice employed to manage risk; if one regulator is deactivated for maintenance or fails due to an equipment malfunction, the second regulator will continue operating in order to seamlessly maintain system pressure and delivery of natural gas, thereby avoiding any service interruption. The Facility will be constructed in full accordance with N.J.A.C. 14:7 and the Federal Regulations for the

Transportation of Natural and Other Gas by Pipeline, Part 192, Title 49 of the Code of Federal Regulations.

10. The Facility will be located on private property owned by the Company. Specifically, it will be located on a small portion of the property that consists of Lots 27 and 29 on Block 120, at 455 and 469 South Laurel Avenue in Hazlet (Lots 27 and 29 constituting the “Proposed Site”). The Proposed Site is 6.9 acres and prior to its purchase by the Company was occupied by a commercial excavation business with storage yard containing heavy equipment, trucks, as well as employee vehicles. The Regulator Station will be situated on a small section of the property approximately 600 feet west of the South Laurel Avenue right-of-way, within a fenced in area of approximately 10,000 feet. The location and design of the Facility are more fully described in Exhibits P-1, P-2, P-3, and P-4 attached hereto.

### **III. NEED FOR THE HAZLET REGULATOR STATION FACILITY**

11. As more fully described in the accompanying testimony of Kraig Sanders (Exhibit P-1), the operational need for the Regulator Station arises from NJNG’s 2012 upgrade of its transmission line in Hazlet. Specifically, in 2012, as part of its efforts to continually upgrade and modernize its system, and following receipt of BPU approval, NJNG replaced the existing transmission line located in Hazlet to comply with federal pipeline integrity requirements. The upgraded transmission line has an MAOP of 722 psig.

12. The newly upgraded transmission system connects to NJNG’s local distribution system, which operates at either 125 psig or 35 psig, depending on the location. The Regulator Station is needed to adequately, safely and reliably accomplish the approximately 600 psig reduction in gas pressure between the transmission system and the distribution system, so that pressure is reduced for the efficient, safe, and reliable delivery of gas to NJNG’s local customers.

13. Critically, the Regulator Station will be equipped with an above ground, natural gas-fueled heating unit designed to pre-heat the natural gas traveling through the regulators connecting the transmission system to the distribution system. This heating unit is an essential component of the Regulator Station because of the approximately 600 psig pressure reduction that will take place between the transmission system and the distribution system. Specifically, due to the thermodynamic principle known as the Joule-Thomson Effect, that significant pressure reduction will result in an approximately 40 degree Fahrenheit decrease in the temperature of the natural gas flowing through the regulators. (For every 14.7 psig reduction, the temperature of natural gas drops one degree Fahrenheit.)

14. Such a temperature change results in gas temperatures well below freezing, especially during the winter months, because gas within a pipeline typically travels at the temperature of the surrounding ground. For example, in winter—when the average ground temperature in New Jersey is slightly below 40 degrees Fahrenheit, and possibly colder—gas will flow into the Regulator Station at that temperature, and as a result of the approximately 600 psig reduction, will drop to 0 degrees Fahrenheit or lower (absent a heater).

15. Without a heating unit, that drastic temperature reduction will cause significant amounts of ice to form on the regulators and other instrumentation that control the flow and pressure of natural gas in NJNG's system. Such ice casing can easily reach a thickness of more than twelve inches, and possibly even twenty-four inches. This icing effect occurs not just in the winter months, but rather throughout the year; because the average ground temperature in the summer is approximately 55 degrees Fahrenheit, a forty degree temperature drop would still result in sub-freezing gas temperatures and icing around the regulator equipment, even during those warmer months. Such significant ice encasing can cause the regulator equipment to

malfunction or to cease operating entirely, which can cause damage to the equipment and result in loss of service to some or all of the many NJNG customers serviced by the subject regulator station.

16. The loss of gas service to a segment of Hazlet could prove devastating to the affected customers, especially in the winter when heat and hot water are critical. If, for example, a regulator failure resulted in the loss of service to dozens or even a hundred homes, there would be a significant delay in service restoration. That is because once gas service is interrupted, NJNG cannot simply flip a switch to instantaneously turn service back on after the regulator is thawed and repaired (a process that itself would take some time). Rather, before service could be restored, NJNG personnel would have to visit each of the affected premises to manually turn off and lock the meter at each residential and commercial service line. Once NJNG accomplished that task, it could re-pressurize the gas mains, but would have to return again to each individual affected property in order to turn the gas back on manually and re-light the pilot for each gas appliance and furnace. If NJNG did otherwise—if it simply turned the gas back on *en masse* without visiting each property—each premises with unlit pilot lights could slowly fill up with gas, which may result in a dangerous, potentially, life-threatening condition. If a few hundred houses lost service due to a regulator station failure, the restoration process could leave homes without heat for days, which in the winter months could lead to significant damage to homes (through freezing pipes, etc.) and/or the health and well-being of residents.

17. As is customary in the industry, NJNG will address the pressure-reduction icing effect at the Regulator Station—as it does at 39 similar stations—by pre-heating the transmission-line natural gas with a heater located at the Regulator Station prior to the pressure reduction. The heater will allow NJNG to heat the natural gas to approximately 90 degrees



Fahrenheit, so the gas temperature after the pressure reduction stays above freezing, preventing ice from encasing the equipment and ensuring reliable operation of the Facility and the local distribution system. For that reason, the heating unit is an extremely important component of the Regulator Station and is critical to NJNG's ability to provide safe, adequate and reliable natural gas service to the residents of Hazlet and the surrounding municipalities.

18. Since the 2012 transmission line upgrade, NJNG has been managing the approximately 600 psig pressure reduction using a pre-existing regulator station located in an underground vault within the jughandle of Route 36 and South Laurel Avenue ("underground regulator station"). That underground regulator station, which was designed to reduce pressures from the prior 10 inch line operating at lower pressures, is not an indefinite solution. The underground regulator station must be replaced because it does not and cannot include a heating unit (because of the heating unit's size and the constraints of the current location). Because the temporary regulator station does not have a heater, it experiences incidents of severe icing, and thus requires close monitoring and frequent thawing, and presents a higher risk of service interruption. In addition, the Company has to operate this portion of its system at sub-optimal gas pressures and flows, due to the absence of an above ground station in this area of Hazlet.

#### **IV. SITE SELECTION AND ALTERNATIVE SITE ANALYSIS**

19. Over the course of several years beginning in or about 2012-2013, NJNG engaged in a site selection and alternative site analysis (the "Site Analysis") in an effort to find the most suitable location for the Facility that would have a minimal impact on Hazlet and its residents. As more fully described in the accompanying testimony of Marc Panaccione (Exhibit P-2), that analysis led NJNG to conclude that (a) the Proposed Site is the most suitable location for the

Facility; and (b) no alternative site is reasonably available to achieve an equivalent public benefit.

20. As an initial matter, several siting constraints guided and informed the Site Analysis, and ultimately limited the available site options. First, for the reasons set forth in Marc Panaccione's testimony (Exhibit P-2), it was extremely important from an operational and engineering standpoint to locate the Regulator Station as close as possible to the location of the existing regulator station (located underground at the jughandle of Route 36 and South Laurel Avenue). NJNG's system, including the locations of other regulator stations, is designed based on the offtake point for the distribution system in Hazlet and the surrounding area being located in this location. Further, as between sites located along South Laurel Avenue and sites located along Route 36, sites located along South Laurel Avenue are preferable because both the configuration of NJNG's pipes within the rights-of-way and the configuration of the roadways would make connecting a regulator station to the existing lines more costly, disruptive, and difficult along Route 36. Second, the site had to be large enough to accommodate all of the Facility's related equipment (most notably, the heating unit) and additional space for buffering and screening measures. Third, the Regulator Station should be located in close proximity to the transmission line. Fourth, there are several types of properties that NJNG either avoids or cannot use for its gas delivery facilities. NJNG makes every effort to avoid residential areas, and instead focuses on properties in areas with commercial, industrial or utility zoning, in order to minimize local opposition and difficulty with local land use approvals. However, regulator stations can be operated safely and reliably in residential areas and there are circumstances when it is reasonable and necessary to locate a station in a residential area. The Company likewise avoids wetlands and low lying areas because they present a heightened risk of flooding and,

more importantly, freezing during the winter months. Further, NJNG looks for sites with no environmental or contamination issues, and prefers sites with little or no required tree clearing to further minimize any environmental impact. And, again to minimize any environmental impact, NJNG prefers to build its facilities on already developed land, as it typically only requires a relatively small parcel. Also, NJNG is prohibited from locating its facilities on Farmland Preserved properties under any circumstance, and on properties purchased with Green Acres funding without first getting difficult to obtain authorization from the State.

21. With those restrictions in mind, NJNG's Site Analysis focused on determining the most operationally suitable location that would enable NJNG to improve and reinforce existing service reliability with minimal impact to the surrounding properties. To that end, NJNG's site review and analysis considered potential impacts of each possible site from several perspectives: (1) impacts to residential areas; (2) existing environmental conditions; and (3) engineering considerations.

22. As part of its Site Analysis, NJNG examined the entire transmission line corridor below Natco Lake Park on Route 36 east to the intersection of South Laurel Avenue and south along South Laurel Avenue from the Route 36 intersection to Middle Road, even though it is important to locate the Regulator Station as close to the current station as possible. (This is the transmission line corridor running through Hazlet, see Exhibit P-5) That examination is set forth at length in Marc Panaccione's testimony (Exhibit P-2). As Mr. Panaccione's testimony makes clear, NJNG's analysis of properties along the Hazlet transmission line corridor yielded very few possibly suitable locations for the Regulator Station. In fact, in addition to the Proposed Site, NJNG initially identified just three (3) possible alternatives in the preferable corridor along South Laurel Avenue (although one of these sites, the site of the current regulator in the

jughandle, was less than ideal given space constraints for construction and maintenance within the jughandle, the inadvisability of locating the aboveground heater in close proximity to a heavily trafficked road, and the visibility of the proposed Facility in that location). Sites along the Route 36 corridor also were examined and were not viable.

23. As Mr. Panaccione details in his testimony, only four sites proved to be even potentially viable, for various reasons. Starting at the southern end of the transmission corridor, NJNG considered the property located at 461 Middle Road in Holmdel at the intersection of South Laurel Avenue and Middle Road, but was unable to obtain rights to the property. This site has since been developed with multi-family housing. North of that property, South Laurel Avenue in Hazlet is surrounded by residential homes until you reach the Helfrich & Son Bus Company property at 503 South Laurel Avenue, another property that NJNG considered. The use of this property for school bus parking left little space that could be available for the Regulator Station. NJNG also considered the property located at 455 and 469 South Laurel Avenue, which includes Lot 29, and the owner was willing to grant an easement to the Company. This property at the time was being used for a commercial excavation business, and there was adequate space at that property to site the Regulator Station. NJNG considered the location of the current regulator within the jughandle, but this location adjacent to heavily trafficked roads is not appropriate for an aboveground heater for safety and logistical reasons, and the Facility would be highly visible at this location.

24. The Company further considered properties along Route 36 between South Laurel Avenue and Natco Lake Park, but none of these properties were viable. Any potential location for the Regulator Station along this corridor would be located close to occupied structures.

Further, many properties along this corridor contain wetlands or are subject to flooding, making them inappropriate for development of the Regulator Station.

25. After the Company's initial Site Analysis, the Company identified Block 120, Lot 29, containing an operating commercial excavation business and storage yard (with heavy equipment, trucks and employee vehicles), as the most suitable location for the Regulator Station, and was able to negotiate an easement to locate the Facility on Lot 29 (the easement area on Lot 29 constituting the "Original Proposed Site"). The Original Proposed Site was close to the existing underground regulator, was of sufficient size for the Facility, presented an opportunity to locate NJNG's station on a property containing a commercial operation, and allowed NJNG to locate the Facility on a Lot adjacent to the transmission line. Significantly, the site is located near the existing regulator station and along the 2012 transmission line on South Laurel Avenue, which is a preferable location because the overall design of NJNG's existing system is based on this location and construction of Facility to tie into existing infrastructure is more feasible along the South Laurel Avenue transmission corridor. Moreover, although the zoning for the site is residential and does not permit public utilities, this site already had a longstanding and substantial commercial use on it and none of the other properties in the Site Analysis are zoned to permit utilities. The Original Proposed Site is not encumbered with Green Acres restrictions or a Farmland assessment. There are no environmental constraints that would impact the development of a regulator station at the Original Proposed Site. There are no low elevations in the easement area, and thus no flooding concerns, and NJNG was not required to clear many live trees or vegetation to construct the Facility. Moreover, NJNG successfully obtained an easement from the owner.

26. On March 23, 2019, NJNG filed for several local zoning approvals for the Original Proposed Site with the Hazlet Land Use Board, including Preliminary and Final Site Plan Approval, “D” and “C” variances, and design waivers. During the January 16, 2020 hearing on the Company’s application, a member of the Land Use Board asked NJNG whether it could move the Facility farther back on Lot 29 from the residential property line (on Lot 32), but it could not because the easement area was dictated by the property owner. The Land Use Board attorney followed up with a question of whether the Facility could be moved 100 feet back from the proposed location (farther from South Laurel Avenue) if NJNG owned the entire lot. Following the December 3, 2020 Land Use Board hearing on the Original Proposed Site, NJNG learned that the owner of the property on which the Original Proposed Site easement area was located now was willing to sell the property. NJNG then withdrew its application to the Land Use Board for the Original Proposed Site. Subsequent to that withdrawal, the Company evaluated Lot 29 as a whole and purchased the entirety of Lot 29 (and Lot 27) on or about August 5, 2021.

27. Based on its evaluation, the Company concluded that the Proposed Site consisting of the entirety of Lot 29 (and Lot 27) is suitable for the installation of the Regulator Station while improving upon the Original Proposed Site. Because the Proposed Site encompasses the easement area for the Original Proposed Site, it shares many of the same characteristics that made the original easement area suitable for the Facility. In addition, by purchasing the approximately 6.9 acre Proposed Site, the Company could remove the existing non-conforming commercial use on the property and expand the buffer space between the Facility and any nearby properties. The Proposed Site is close to the existing underground regulator. It is of sufficient size and allows NJNG to locate the Facility on a lot adjacent to the transmission line.

Significantly, the site is located near the existing regulator station and along the 2012 transmission line on South Laurel Avenue, which is a preferable location because the overall design of NJNG's existing system is based on this location and construction of Facility to tie into existing infrastructure is more feasible along the South Laurel Avenue transmission corridor. The Proposed Site allows NJNG to locate NJNG's station on a property that contained a pre-existing commercial operation. In doing so, the Site allows NJNG to eliminate that prior commercial business and its heavy equipment, trucks and vehicles from the site, and eliminate the corresponding traffic at the site, and thereby improve the site and reduce impacts to the surrounding neighborhood. There are no environmental constraints that would impact the development of a regulator station at this site. The site is not encumbered with Green Acres restrictions or a Farmland Assessment. There are no prohibitively low elevations in the area where the Regulator Station will be constructed (See Exhibit P-3), and thus no flooding concerns, and NJNG is not required to clear many live trees or vegetation to construct the Facility. There are existing trees providing visual barriers from the perspective of the east (South Laurel Avenue), the north and the south, and the heavily wooded Natco Lake Park is on the western border. (See Exhibit P-4) Further, because NJNG has successfully purchased the entire property from the prior owner, it is able to move the location of the Facility farther back on Lot 29 to address concerns raised by the Hazlet Land Use Board. This allows the Facility to be located: approximately 600 feet west of South Laurel Avenue, which is a greater distance from the road than the Original Proposed Site (in which the Facility was proposed to be approximately 257 feet west of South Laurel Avenue); approximately 117 feet from the nearest residential property line (in the mobile home park to the north), and approximately 377 feet west of the Property on Lot 32 (compared to 42 feet for the Original Proposed Site). In addition, because it

owns the entirety of Lot 29 (as well as Lot 27 purchased as additional buffer), consisting of 6.9 acres, NJNG is able to install extensive landscaping around the Regulator Station fencing, along the perimeter of the property, and throughout the Lots to screen the Facility from view from *every* perspective. (See Exhibit P-3)

28. In addition, although the zoning for the Proposed Site is residential, none of the other properties in the entire transmission line corridor of the Site Analysis where the Facility must be located are zoned to permit utilities, even conditionally, whether along South Laurel Avenue (zoned R-100 (residential)) or along Route 36 (zoned B-H (business highway)). In that context, this particular site is favorable because it already had a substantial commercial use on it consisting of a commercial excavation yard with heavy equipment, trucks, and employee vehicles, and is bordered by a commercial bus company operation on the property's southern border along South Laurel Avenue. (NJNG's location of the Facility on the Site will allow it to remove the prior commercial operation and reduce impacts to the neighborhood). Further, the Hazlet Master Plan-Reexamination Report (June 1, 2017) (p. 9) also notes that the municipality should "provide the health, safety and welfare of Hazlet residents through the provision of suitable public services and community facilities."

29. In sum, based on the Site Analysis (as summarized above and detailed in the testimony of Marc Panaccione (Exhibit P-2)), the location best suited for the Facility is the Proposed Site. That location results in the least combined impacts to residential areas and the environment, while offering a feasible, and indeed optimal, engineering design. Moreover, NJNG's alternative site analysis establishes that there are no reasonably available alternative sites for the Regulator Station that will achieve an equivalent public benefit.



## **V. JURISDICTION AND STANDARD FOR BPU APPROVAL**

30. With regard to the construction of public utility facilities, Hazlet's land use ordinances and regulations first require certain site plan approvals and zoning variances, depending on the area in which the facilities are proposed to be located. The Municipal Land Use ordinances, Site Plan Review ordinances and other ordinances and regulations applicable to and affecting the Proposed Site, on which the Regulator Station will be constructed and operated, have been enacted pursuant to the authority of the MLUL, N.J.S.A. 40:55D-1 et seq.

31. On or about March 12, 2024, NJNG filed an application with the Land Use Board seeking preliminary and final major site plan approval, "D" and "C" variances, and for certain design waivers and exceptions. Specifically, NJNG sought a "D1" variance for a public utility use in the R-100 (residential) zone where it is not permitted. NJNG sought "C" variances, if deemed necessary, for (i) an eight foot fence enclosing the regulator station and associated equipment whereas a maximum six foot fence is permitted, (ii) to maintain an existing 4 foot tall security swing gate at a distance of 25 feet from the front yard setback line, whereas fencing is not permitted within the required minimum 35 foot front yard setback line (iii) to affix two BPU-required 16" by 22" regulatory signs on the fence enclosing the regulator station and associated equipment and two more such signs on the swing gate near the driveway on South Laurel Avenue, (iv) to permit an interior driveway at a width of 20 feet, whereas a minimum width of 24 feet is required for two-way traffic movement, and (v) and to maintain the existing non-conforming lot frontage for Lot 27 which measures 107 feet in width whereas a minimum of 150 feet is required (during the course of the hearing, NJNG agreed to merge Lots 27 and 29 together and this variance was eliminated).

32. Although the proposed Facility is not a permitted use anywhere on the transmission corridor where it must be constructed, Hazlet does permit public utility uses “conditionally” in certain areas under its zoning ordinances. The Company demonstrated before the Land Use Board that the Regulator Station meets the conditions required for a public utility conditional use and it is an inherently beneficial use.

33. The Hazlet Land Use Board hearing on NJNG’s application for the Proposed Site took place on February 26, 2025. During the hearing, the Company presented testimony from three witnesses. The Company witness testified as to the need for the proposed Facility. The other witnesses were independent outside experts in the fields of engineering and planning. The witnesses were presented to address the requirements for approval under Hazlet’s local ordinances and the MLUL.

34. After the hearing at which NJNG’s counsel and witnesses addressed all the questions and concerns raised by the Land Use Board and the public, the Land Use Board denied NJNG’s application on February 26, 2025.<sup>1</sup> (Exhibit P-7)

35. As a result, pursuant to N.J.S.A. 40:55D-19, the Company appeals the Land Use Board’s decision, thereby seeking Board approval of the proposed Facility and an order that the zoning, site plan review and all other Municipal Land Use Ordinances and Regulations promulgated under the auspices of the MLUL shall not apply to the Regulator Station.

36. N.J.S.A. 40:55D-19 provides in pertinent part as follows:

If a public utility, as defined in [N.J.S.A.] 48:2-13 . . . is aggrieved by the action of a municipal agency through said agency’s exercise of its powers under this act, with respect to any action in which the public utility or electric power generator has an interest, an appeal to the Board of Public Utilities of the State of New Jersey may be taken within 35 days after such action without appeal to the

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<sup>1</sup> As of the date of this filing, the Hazlet Land Use Board has not yet issued a written Resolution memorializing its oral decision.

municipal governing body pursuant to section 8 of this act unless such public utility or electric power generator so chooses. . . . A hearing on the appeal of a public utility to the Board of Public Utilities shall be had on notice to the agency from which the appeal is taken and to all parties primarily concerned, all of whom shall be afforded an opportunity to be heard. ***If, after such hearing, the Board of Public Utilities shall find that the present or proposed use by the public utility or electric power generator of the land described in the petition is necessary for the service, convenience or welfare of the public,*** including, but not limited to, in the case of an electric power generator, a finding by the board that the present or proposed use of the land is necessary to maintain reliable electric or natural gas supply service for the general public and ***that no alternative site or sites are reasonably available to achieve an equivalent public benefit,*** the public utility or electric power generator may proceed in accordance with such decision of the Board of Public Utilities, any ordinance or regulation made under the authority of this act notwithstanding. [emphases added]

37. The Appellate Division first interpreted the “necessary for the service, convenience of welfare of the public” standard (as set forth in a predecessor statute) in In re Hackensack Water Co., 41 N.J. Super. 408 (App. Div. 1956). In Hackensack Water, the Appellate Division concluded that the legislative intent is that the broad public interest in utility services shall prevail over “local interests expressed through prohibiting provisions of a municipal zoning ordinance” where the site of the building or structure is reasonably necessary for the service, convenience or welfare of the public. Id. at 419-20. The Appellate Division explained that while municipal ordinances are important to the public welfare, “such regulation is basically from the local aspect for a local public purpose,” and “the legislative intent is clear that such local regulation, however beneficent and important, is of secondary importance to the broader public interest involved in assuring adequate [] service to a much larger area.” Id. at 423. Further, the Court found that the performance of a utility’s obligation to the public and the “power of the board to compel such performance in the interest of the general public good cannot be thwarted by the contrary action of one municipality....” Id.

38. Soon after Hackensack Water, the New Jersey Supreme Court, in In re Public Service Electric & Gas Co., 35 N.J. 358, 375 (1961) (“Public Service”), held that the governing

statute is to be construed and applied in accordance with the principles and reasoning set forth in Hackensack Water. To further that end, the Supreme Court announced a series of guiding principles for application of the standard set forth in N.J.S.A. 40:55D-19. Since the Public Service decision, the courts and the BPU have uniformly held that in cases under N.J.S.A. 40:55D-19 the BPU should consider the following five factors established in Public Service:

[1] “[T]he phrase in the statute ‘for the service, convenience, and welfare of the public’ refers to all of the public served by the utility and not the local group benefited by a particular zoning ordinance;”

[2] “[T]he utility must show that the proposed use is reasonably, but not absolutely or indispensably, necessary for the public service, convenience and welfare of some particular location;”

[3] “[B]ecause the statute requires that the particular site or location ... be ‘reasonably necessary,’ the [BPU] must consider the community’s zone plan and ordinance, as well as physical characteristics of the property involved, as well as the surrounding neighborhood and the effect that the proposed use will have upon it;”

[4] In determining reasonable necessity, the BPU “must also consider alternate sites and methods, as well as their respective advantages and disadvantages to all of the interests involved, including costs”; and

[5] The BPU “must weigh all interests and factors in light of the entire factual picture and adjudicate the existence or non-existence of reasonable necessity therefrom” and “if the balance is equal, the utility is entitled to the preference, because the legislative intent is clear that the broad public interest to be served is greater than local consideration.”

I/M/O the Appeal of Jersey Cent. Power & Light Co. Pursuant to N.J.S.A. 40:55D-19 from a Decision of the Twp. of Tewksbury Land Use Bd., No. A-2150-09T1, 2011 N.J. Super. Unpub. LEXIS 302, at \*12-13 (App. Div. Feb. 10, 2011) (citing Public Service, 35 N.J. at 376-77); In re Petition of N.J. Am. Water Co. For a Determination Concerning Fenwick Water Tank Pursuant to N.J.S.A. 40:55D-19, No. A-3903-22, 2024 N.J. Super. Unpub. LEXIS 2888, at \*13 (App. Div. Nov. 20, 2024); Matter of Petition of S. Jersey Gas Co., 447 N.J. Super. 459, 481 (App. Div. 2016).

39. In sum, to obtain an order from the Board exempting a project from local land use and zoning ordinances and regulations, a public utility must demonstrate two things. First, the public utility must demonstrate that the proposed project is reasonably—but not absolutely or indispensably—necessary for the service, convenience or welfare of the entire public served by the public utility, taking into account the affected municipalities’ zone plans and zoning ordinances and the physical characteristics of the affected land and surrounding neighborhood (and the effect of the proposed use on that land and neighborhood). Second, the public utility must demonstrate that the site, method or route chosen for the proposed project is the best available, and thus its use is reasonably necessary, based on consideration of alternative sites, methods and routes and their comparative advantages and disadvantages to all interests involved, including costs.

40. In addition, as noted above, N.J.S.A. 48:2-23 requires a New Jersey public utility, like NJNG, to furnish safe, adequate and proper service and maintain its property and equipment in such condition to enable it to do so, as a core responsibility. The Board’s Mission Statement also provides that it is the very mission of the Board: “[t]o ensure that safe, adequate, and proper utility services are provided at reasonable, non-discriminatory rates to all members of the public who desire such services.” To develop and regulate a competitive, economically cost effective energy policy that promotes responsible growth and clean renewable energy sources while maintaining a high quality of life in New Jersey.” (emphases added)<sup>2</sup> The Board’s 2019 New Jersey Energy Master Plan: Pathway to 2050 upholds the BPU’s “mission to provide a safe reliable, resilient and affordable energy system for all New Jersey residents” (Executive Summary, p. 11). Consistent with public utility law and the Board’s mission, the Plan states: a

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<sup>2</sup> <https://www.nj.gov/bpu/about/mission/>

primary goal to “[m]aintain existing gas pipeline system reliability and safety while planning for future reductions in natural gas consumption” (primary goal 5.4, p. 189); that the State must “properly and safely maintain the existing system and support infrastructure investments to maintain reliability” (subgoal 5.4.4, p. 192); and that “the electric and gas utilities of the future must continue to deliver reliable, resilient and affordable service, while also realizing New Jersey’s goals...” (strategy 5, p. 173).

41. Here, NJNG has presented overwhelming evidence in this Petition satisfying both of the requirements of the Public Service test and that the project is necessary to support existing system reliability and the provision of safe, adequate and reliable service to the public.

#### **VI. NECESSITY AND BEST AVAILABLE SITE**

42. As demonstrated above and in the accompanying testimonies (particularly that of Kraig Sanders), the Facility is required in order to maintain the integrity and reliability of NJNG’s local distribution system because it will allow the Company to reliably, efficiently and safely achieve the approximately 600 psig reduction in gas pressure between the upgraded transmission system in Hazlet and the local distribution system, which serves customers in Hazlet and surrounding municipalities. The design of the Regulator Station—most importantly, the above-ground heating unit—will prevent the regulators and associated equipment at the Facility from becoming encased in thick ice, which could well result in a harmful loss of service to the customers served by the local distribution system. The present configuration of NJNG’s delivery apparatus does not adequately accomplish this goal because, inter alia, the current underground regulator does not employ and cannot accommodate a heater. As a result, NJNG has demonstrated that the proposed Facility is necessary for the service, convenience or welfare of the entire public served by the public utility.

43. Moreover, NJNG has presented significant evidence establishing that there are no reasonably available alternatives that could achieve an equivalent public benefit as detailed in the evidence submitted in this filing (particularly, the testimony of Marc Panaccione). Although it is preferable to site the Facility close to the existing underground station to align with the existing system design and regulator station spacing and along the transmission line installed in 2012 along South Laurel Avenue, NJNG examined the entire transmission line corridor below Natco Lake Park on Route 36 east to the intersection of South Laurel Avenue and south along South Laurel Avenue from the Route 36 intersection to Middle Road. That search yielded just three alternative properties, in addition to the Proposed Site, that could even arguably have served as the location for the Regulator Station (though several of them were less than ideal). For various reasons, none of those properties ultimately proved to be a viable option. Notably, none of the properties along this corridor would be in a zone that permits public utilities, even conditionally.

44. NJNG's Site Analysis made clear that the Proposed Site is the most appropriate available location for the Regulator Station because it (a) is located in proximity to the existing station and along South Laurel Avenue; (b) is of sufficient size for the Facility; (c) is adjacent to the transmission line; (d) has no Green Acres or Farmland Preservation restrictions; (e) has no prohibitively low elevation, wetlands, flooding or other environmental constraints that would impact the station<sup>3</sup>; (f) does not require clearing of many live trees or vegetation; (g) is large (at 6.9 acres) and owned by the Company such that the Facility will be located in an area away from

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<sup>3</sup> NJNG has obtained a permit from the New Jersey Department of Environmental Protection for limited impacts to transition areas, i.e., areas adjacent to freshwater wetlands, arising from NJNG's construction of the Facility and its remediation of pre-existing contamination at the Proposed Site. There will be 0.038 acres of permanent disturbance to transition areas and 0.109 acres of temporary disturbance to transition areas from construction of underground piping connecting the Regulator Station to the transmission and distribution systems. There will be 0.093 acres of temporary disturbance to transition areas from remediation of contamination at the Proposed Site.

residences and screened from view by existing trees and installed landscaping; (h) had a pre-existing commercial use as a storage yard for an excavation company that would be eliminated by the project thereby improving the property and reducing the impacts to surrounding neighborhood; and (i) is next to an operating bus company to the south on South Laurel Avenue and the wooded Natco Lake Park to the west.

45. Moreover, during the 2019-2020 hearings before the Hazlet Land Use Board for the Original Proposed Site, a board member questioned whether the facility could be moved back from the location (it could not since that location was dictated by the property owner) and the board attorney questioned whether the Facility location could be moved 100 feet farther back from a residence on Lot 32 if NJNG purchased the property. After the withdrawal of the initial application, NJNG was able to purchase Lot 29 (which contained the original easement area) as well as Lot 27 so that it could construct the Facility farther back from South Laurel Avenue (and 377 feet away from the residential Lot 32) and use Lot 27 as a buffer area along the mobile home district to the north of the Proposed Site. In short, the record evidence demonstrates beyond dispute that the Proposed Site is the best available location for the Regulator Station, and thus its use is reasonably necessary, based on consideration of alternative sites, and their comparative advantages and disadvantages to all interests involved, including costs.

46. As a result, the Board should approve the construction and operation of the Regulator Station; determine that the construction and operation of the Regulator Station is necessary to maintain system integrity and reliability and necessary for the service, convenience or welfare of the public, and that no alternative site or sites are reasonably available to achieve an equivalent public benefit; and issue an order that the zoning, site plan review and all other



Municipal Land Use Ordinances or Regulations promulgated under the MLUL shall not apply to the Regulator Station.

## **VII. OTHER APPROVALS**

47. The Company has applied for and obtained an New Jersey Department of Environmental Protection (“NJDEP”) Coastal Area Facility Review Act individual permit and authorizations under two NJDEP Freshwater Wetlands general permits. The Company has applied for a Soil Erosion & Sediment Control Permit from the Freehold Soil Conservation District. The Company will apply for a road opening permit from Hazlet once the project is approved by the Board.

## **VIII. REQUEST FOR EXPEDITED RELIEF**

48. NJNG designed the Facility to provide much needed reliability and supply security to the residents of Hazlet and surrounding municipalities. As a result, NJNG requests that the Board and parties take measures to expedite the review of this Petition to avoid delays in the completion of the Regulator Station.

**WHEREFORE**, New Jersey Natural Gas Company requests that the Board:

- (1) determine that the location and construction of the Regulator Station, as more specifically described herein, is necessary for the service, convenience and welfare of the public and to maintain reliable gas service to the general public;
- (2) determine that no alternative site or sites are reasonably available for the Regulator Station to achieve an equivalent public benefit;

(3) order that the zoning, site plan review and all other Municipal Land Use Ordinances or Regulations promulgated under the MLUL, including specifically the Zoning and Land Use Ordinances and all regulations promulgated thereto by Hazlet, shall have no application to the Regulator Station; and

(4) grant such other and further relief as may be required.

Respectfully submitted,

Riker Danzig LLP  
Attorneys for Petitioner  
New Jersey Natural Gas Company

Dated: April 2, 2025

By: \_\_\_\_\_



Michael S. Kettler, Esq.  
James C. Meyer, Esq.

### **CERTIFICATION OF VERIFICATION**

1. I am Senior Vice President, Regulatory Affairs, for New Jersey Natural Gas Company, the Petitioner in the foregoing Petition.

2. I have read the annexed Petition, and I hereby certify that the matters and things contained therein are true to the best of my knowledge and belief. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



Mark G. Kahrer

Dated: April 2, 2025

**CERTIFICATION OF SERVICE**

I, Michael S. Kettler, of full age, certify and say:

I am an attorney at law in the State of New Jersey, with the law firm of Riker Danzig LLP, attorneys for Petitioner New Jersey Natural Gas Company ("Petitioner").

On April 2, 2025, on behalf of Petitioner, and in accordance with NJBPU Order No. EO20030254 dated March 19, 2020, I caused the Petition of New Jersey Natural Gas Company for a Determination Concerning the Hazlet Regulator Station Pursuant to N.J.S.A. 40:55D-19 to be e-filed using the Board's e-filing pilot program and served on persons on the attached service list at the indicated email addresses.

I hereby certify that the foregoing statements made by me are true and correct. I understand that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

  
\_\_\_\_\_  
Michael S. Kettler

Dated: April 2, 2025

**NEW JERSEY NATURAL GAS COMPANY  
PREPARED DIRECT TESTIMONY OF KRAIG SANDERS**

**I. INTRODUCTION**

**Q. Please state your name, affiliation, business address and educational background.**

A. My name is Kraig Sanders, and I am a Vice President of New Jersey Natural Gas Company (the “Company” or “NJNG”). I am responsible for leading the Company’s Pressure Management and Transmission team and managing and operating its natural gas transmission system. My business address is 1415 Wyckoff Road, Wall, New Jersey 07719. I have been employed by the Company for over 26 years. I have a Bachelor’s Degree in Civil Engineering from Stanford University. I am a member of the Supplemental Gas and Transmission Measurement Committees of the American Gas Association and a member of the Northeast Gas Association, the Society of Gas Operators, and the Society of Gas Lighters. I am also a past chair of the New Jersey Utilities Association Operations Committee.

**Q. Please describe your responsibilities in leading NJNG’s pressure management and transmission team.**

A. I am responsible for oversight of the maintenance and operation of NJNG's metering and regulator stations, as well as the Company’s gas control center, which remotely handles the operations and control systems for NJNG’s entire delivery system. I am also responsible for the maintenance and operations of NJNG’s transmission and liquefied natural gas (“LNG”) facilities.

**Q. Have you previously submitted testimony before the Board of Public Utilities?**

A. Yes, I submitted direct testimony on behalf of the Company in the two matters docketed as GO18111257; PUC-17810-18 and GO17010023; PUC-01160-17 that were consolidated, and submitted rebuttal testimony as part of a panel of Company witnesses

**NEW JERSEY NATURAL GAS COMPANY  
PREPARED DIRECT TESTIMONY OF KRAIG SANDERS**

1 in those consolidated matters. Those matters involved a NJNG natural gas regulator  
2 station in Holmdel Township. I also provided live testimony in those matters before  
3 Administrative Law Judge Elia A. Pelios.

4 **Q. What is the purpose of your direct testimony in this proceeding?**

5 A. My testimony describes the need for NJNG's new regulator station (the "Regulator  
6 Station" or "Facility") in Hazlet Township ("Hazlet"), as well as NJNG's efforts to  
7 ensure the safe, reliable and adequate delivery of natural gas to its customers.

8 **Q. Please provide an overall summary of the Facility.**

9 A. As explained more fully below, the Facility is needed to support the reliability and  
10 integrity of NJNG's local distribution system, including in Hazlet and the surrounding  
11 areas, because it will allow the Company to reduce the gas pressure (by approximately  
12 600 pounds per square inch gauge ("psig")) from the transmission system in Hazlet to  
13 NJNG's distribution system for delivery to customers in Hazlet and the surrounding  
14 municipalities. Critically, the design of the Regulator Station—particularly, an above  
15 ground heating unit—will prevent the regulators and associated equipment from freezing  
16 and becoming encased in thick ice, which can result in a loss of service to the local  
17 distribution system.

18 **Q. Please generally explain the purpose, configuration and location of the Facility.**

19 A. The Regulator Station is a natural gas pressure reduction facility. It will consist primarily  
20 of underground gas piping and above ground equipment including one filter (to clean the  
21 gas of impurities), a heating unit to preheat the gas, one control box housing  
22 communications and electrical equipment, and two regulator runs, all of which will be  
23 located above-ground. The Regulator Station will have two regulator runs to ensure the

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PREPARED DIRECT TESTIMONY OF KRAIG SANDERS**

1 reliability and adequacy of gas delivery to NJNG's customers. One regulator run serves  
2 the pump system with a maximum allowable operating pressure ("MAOP") of 125 psig,  
3 and the other run serves distribution mains with an MAOP of 35 psig. Each run consists  
4 of two lines, and each line will have two regulators for redundancy. The redundancy of  
5 regulators is an industry best practice employed to manage risk; if one regulator is  
6 deactivated for maintenance or fails due to an equipment malfunction, the second  
7 regulator will continue operating to seamlessly maintain system pressure and delivery of  
8 natural gas, thereby avoiding any system interruption. There also will be a backup  
9 generator as part of the Facility to provide continued electric service for the Company's  
10 remote monitoring equipment in the event of a power outage. The new Regulator Station  
11 will replace the nearby existing regulator station located underground within the  
12 jughandle at the south side of the intersection of South Laurel Avenue and Route 36. The  
13 Regulator Station will occupy a small portion of a 6.9 acre property purchased by NJNG  
14 and located at 455 and 469 South Laurel Avenue, Hazlet, New Jersey, consisting of the  
15 combined lots 27 and 29 on block 120 (the "Proposed Site"). There will be no building  
16 associated with the Facility; the equipment will be enclosed by a fence (affixed with  
17 noise dampening blankets) for buffering and security, and surrounded by landscaping.

**II. THE NJNG DELIVERY SYSTEM**

19 **Q. Please provide an overview of NJNG's delivery system.**

20 A. NJNG serves approximately 587,000 retail customers in Monmouth, Ocean, Morris,  
21 Middlesex, and Burlington counties. NJNG's operations are separated into the Northern,  
22 Central and Ocean Divisions. The Company operates a network of 245 miles of large

**NEW JERSEY NATURAL GAS COMPANY  
PREPARED DIRECT TESTIMONY OF KRAIG SANDERS**

1 diameter transmission lines, approximately 7,704 miles of distribution mains, and  
2 approximately 554,822 service lines exceeding 7,100 miles in total length.

3 The distribution system includes various other components and facilities,  
4 including line valves, pressure-reducing regulators and meter stations. NJNG's system  
5 also includes two LNG peak shaving facilities that provide important pressure support to  
6 the local distribution system.

7 The configuration of NJNG's system varies depending on a number of factors,  
8 including customer demand, population density and pipe vintage. Some segments of  
9 NJNG's system operate at an MAOP of 722 psig, while others (e.g., distribution mains  
10 and service lines) operate at various lower pressures. For example, in Hazlet, in addition  
11 to its high pressure transmission line, NJNG operates a pump system with an MAOP of  
12 125 psig and distribution mains with an MAOP of 35 psig, which are fed from the  
13 transmission line. NJNG designed the system based on engineering requirements and  
14 design day criteria in order to provide safe, adequate and reliable service to NJNG  
15 customers throughout the entire year.

16 **Q. Please describe NJNG's operational goals and objectives.**

17 A. The Company's primary operational goal is to provide safe and reliable service to its  
18 customers. Indeed, safety and reliability are essential to the health and well-being of the  
19 residents and businesses in the communities NJNG serves, and thus of paramount  
20 importance to the NJNG employees responsible for operating the system. Reliability  
21 requires planning to meet customer needs during cold weather when demand is highest,  
22 as well as all other times when unplanned major storm events or system disruptions may  
23 occur. This is essential because natural gas is a critical lifeline service, especially during



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PREPARED DIRECT TESTIMONY OF KRAIG SANDERS**

1 the winter. Importantly, the Company strives to achieve the safe and reliable operation of  
2 its system in an environmentally responsible and efficient manner.

3 NJNG has several operational requirements essential to meeting the above goals.  
4 One is vigilance in the ongoing repair and maintenance of existing infrastructure  
5 facilities. A second is engineering, planning and constructing new facilities to provide  
6 operational flexibility, including appropriate operating redundancies. A third is the need  
7 to rehabilitate or replace existing facilities to address aging infrastructure concerns and to  
8 meet enhanced safety goals and regulatory requirements. In all aspects of its operations,  
9 the Company continuously works to improve its operations and to adopt the best  
10 practices of the gas distribution industry.

11 **Q. Does NJNG continually upgrade and modernize its system?**

12 A. Yes. Over the last five years, the Company has made significant investments in facility  
13 enhancements in order to ensure the safe and reliable operation of NJNG's natural-gas  
14 delivery system. This work included looping and back feed projects, reinforcements,  
15 replacements, retirements, remote control valves, regulator stations and line inspection  
16 projects. Such capital expenditures to replace and upgrade system facilities occur under  
17 normal capital planning, as well as several accelerated infrastructure projects approved by  
18 the Board of Public Utilities ("BPU") since 2020.

19 **Q. Has the Company upgraded a transmission line in Hazlet?**

20 A. Yes. In 2012, as part of its efforts to continually modernize its system, NJNG replaced  
21 the existing transmission line on Laurel Avenue, constructed in the 1960s, to comply with  
22 federal pipeline integrity requirements. The new transmission line runs through portions  
23 of Holmdel, Middletown and Hazlet; the Hazlet portion runs north from the

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PREPARED DIRECT TESTIMONY OF KRAIG SANDERS**

1 Hazlet/Holmdel border on Laurel Avenue (just north of Middle Road) until ending at the  
2 intersection of Laurel Avenue and Route 36 where NJNG's existing regulator station is  
3 located. The new transmission line has an MAOP of 722 psig. As a result of the 2012  
4 installation of the transmission line, there is a difference in gas pressure of approximately  
5 600 psig between NJNG's transmission system, which transports large volumes of gas  
6 over long distances at high pressure (an MAOP of 722 psig), and the local distribution  
7 system, which operates at approximately 125 psig and 35 psig.

8 **Q. Did the Board of Public Utilities approve the new transmission line?**

9 A. Yes. The BPU approved the transmission line project in two Orders. First, in its  
10 Decision and Order Approving Stipulation dated March 30, 2011, the BPU approved the  
11 Company's capital investment in several infrastructure improvement projects as  
12 Qualifying Projects, including the transmission line project running through the  
13 Townships of Hazlet, Holmdel and Middletown, New Jersey.<sup>1</sup> As noted in the Board's  
14 Decision and Order Approving Stipulation (p. 4), only capital projects that would  
15 enhance the safety and security of a utility's distribution system were eligible as  
16 Qualifying Projects. Second, in its November 9, 2011 Reliability and Safety Order, the  
17 BPU approved NJNG's Petition for authorization to construct the 16-inch transmission  
18 line, pursuant to N.J.A.C. 14:7-1.4, finding it to be "reasonable and in compliance with

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<sup>1</sup>*I/M/O the Petition of New Jersey Natural Gas Company For Approval Of An Extension Of the Accelerated Energy Infrastructure Investment Program Pursuant to N.J.S.A. 48:2-23 And For Changes In the Company's Tariff For Gas Service Pursuant to N.J.S.A. 48:2-21 et seq.*, Docket Nos. GR07110889, GR10100793, Decision and Order Adopting Stipulation (March 30, 2011) (available at <https://www.bpu.state.nj.us/bpu/pdf/boardorders/2011/20110330/3-30-11-2I.pdf>)

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1 all relevant Federal and State requirements.”<sup>2</sup> As noted by the BPU in its Reliability and  
2 Safety Order (p.1), the transmission pipeline allows for the use of in-line inspection  
3 equipment to assess pipeline integrity (consistent with federal regulations); is certified to  
4 an MAOP of 722 psig; and would replace the older 10-inch transmission pipeline  
5 constructed in the 1960s. The project matched the 16-inch diameter of the new pipeline  
6 to existing connecting transmission lines to meet system requirements and to ensure that  
7 the entire transmission run can be inspected with inline equipment. The 10-inch pipeline  
8 has remained in service as a distribution pipeline at a lower operating pressure of 125  
9 psig. The transmission line replacement was completed in 2012 and continues to deliver  
10 natural gas that is distributed to 7,050 residential and commercial meters in Hazlet and  
11 customers in a majority of northern and eastern Monmouth County. This transmission  
12 line delivers the required natural gas to regulator stations, including the station proposed  
13 to be replaced in this proceeding, which operate to supply that gas into the distribution  
14 system serving local customers.

**III. NEED FOR THE HAZLET REGULATOR STATION**

16 **Q. Why is the Regulator Station needed within the NJNG delivery system?**

17 A. The need for the new Regulator Station stems from the 2012 installation of the BPU-  
18 approved transmission line running down Laurel Avenue in Hazlet. Specifically, the  
19 Regulator Station is needed to adequately, safely and reliably accomplish the

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<sup>2</sup> *I/M/O the Petition of New Jersey Natural Gas Company For Authorization and Approval For Construction of A Proposed Pipeline in the Townships of Hazlet, Holmdel, and Middletown Pursuant to N.J.A.C. 14:7-1.4 et seq.*, Docket No. GO11080478, Reliability and Safety Order at2 (Nov. 9, 2011) (available at <https://www.bpu.state.nj.us/bpu/pdf/boardorders/2011/20111109/11-9-11-6A.pdf>)

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1 approximately 600 psig reduction in gas pressure between the transmission system and  
2 the distribution system, so that pressure is reduced for the safe and efficient delivery of  
3 gas to NJNG's local customers. For the reasons set forth below, the existing underground  
4 regulator station that is currently managing the approximately 600 psig pressure  
5 reduction cannot be relied on to ensure the adequate, reliable and efficient delivery of  
6 natural gas indefinitely.

7 **Q. What other equipment is necessary to operate the Regulator Station safely,**  
8 **efficiently and reliably?**

9 A. Most significantly, NJNG will equip the Regulator Station with an above ground natural-  
10 gas fueled heating unit designed to pre-heat the natural gas traveling through the  
11 regulators connecting the transmission system to the distribution system. This heating  
12 unit is a critical component of the Regulator Station precisely because of the nearly 600  
13 psig pressure reduction that will take place from the transmission system to the  
14 distribution system. Specifically, due to the thermodynamic principle known as the Joule-  
15 Thomson Effect, that significant pressure reduction will result in an approximately 40  
16 degree Fahrenheit decrease in the temperature of the natural gas running through the  
17 regulators. (For every 14.7 psig reduction, the temperature of natural gas drops one  
18 degree Fahrenheit.)

19 Such a temperature change will result in gas temperatures well below freezing,  
20 especially during the winter months, because gas within a pipeline typically travels at the  
21 temperature of the surrounding ground. For example, in winter—when the average  
22 ground temperature in New Jersey is slightly below 40 degrees Fahrenheit, and possibly

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1 colder—gas will flow into the Regulator Station at that temperature, and as a result of the  
2 600 psig reduction, will drop to 0 degrees Fahrenheit or lower (absent a heater).

3 Without a heating unit, that drastic temperature reduction will cause significant  
4 amounts of ice to form on the regulators and other instrumentation controlling the flow  
5 and pressure of natural gas in NJNG's system. Such an ice casing can easily reach a  
6 thickness of more than 12 inches, and possibly even 24 inches. Although this icing effect  
7 is especially a problem in the winter, it can also occur in other months throughout the  
8 year; because the average ground temperature in the summer is approximately 55 degrees  
9 Fahrenheit, a forty degree temperature drop would result in sub-freezing gas temperatures  
10 and icing around the regulator equipment, even during those warm months, unless the gas  
11 is pre-heated.

12 As is customary in the industry, NJNG will address the pressure-reduction icing  
13 effect at the Regulator Station by pre-heating the transmission-line natural gas with a  
14 heater located at the Facility prior to the pressure reduction. The heater will allow NJNG  
15 to heat the natural gas to approximately 90 degrees Fahrenheit, so the temperature after  
16 the pressure reduction stays above freezing, preventing ice from encasing the equipment  
17 and ensuring reliable operation of the Facility and the local distribution system. In short,  
18 the heating unit is an extremely important component of the Regulator Station and is  
19 critical to NJNG's ability to provide safe, adequate and reliable natural gas service to the  
20 residents of Hazlet and the surrounding municipalities. Indeed, as discussed further  
21 below, one of the deficiencies of the current underground regulator station and reasons  
22 why it is not an appropriate long-term, permanent pressure reduction solution is that it

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1 does not—and cannot—have a heating unit, and thus experiences frequent and significant  
2 ice encasing.

3 **Q. Could you describe the potential impact from relying on the existing underground**  
4 **regulator station as a long-term, permanent pressure reduction mechanism?**

5 A. The potential consequences of ongoing use of the underground regulator station on a  
6 permanent basis are significant. As stated above, without a heating unit to raise the  
7 temperature of the natural gas in the transmission pipe before it enters the regulator (and  
8 drops approximately 600 psig), the regulator equipment will become encased in thick ice.  
9 The underground regulator that NJNG is currently utilizing does not and cannot have a  
10 heating unit because it is located in an underground vault of approximately 8 feet by 6  
11 feet wide and 8 feet deep, which is not large enough to accommodate a heater, filter and  
12 dual regulator runs, and the heating equipment is not compatible with ground water.  
13 Further, the filter and heater must be located above ground for adequate ventilation, air  
14 flow and Company access for maintenance.

15 Because the existing underground regulator station does not have a heater, it  
16 experiences frequent incidents of severe icing. A photo of the equipment encased in ice  
17 in winter is provided at Exhibit P-6 to the Petition. The equipment is regularly encased in  
18 ice (and is continuously encased in ice during the winter heating season).

19 The ice encasement in turn increases the risks of outages associated with  
20 equipment failure. That is, the extensive ice encasing can cause the regulator equipment  
21 to malfunction or to cease operating entirely, which can cause damage to the equipment  
22 itself and result in the loss of service to some or all of the many NJNG customers  
23 serviced by the subject regulator station. If the regulator equipment becomes inoperable

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1 or fails, the station would need to be shut down until the ice is melted and the damage  
2 repaired. And the below ground location in the jughandle of busy roadways can impede  
3 the speed of response to any equipment malfunction. In the meantime, customers that are  
4 serviced by the station could lose natural gas service.

5       The loss of gas service to a segment of Hazlet and the surrounding communities  
6 could prove devastating to the affected customers, especially in the winter when heat and  
7 hot water are critical. If, for example, a regulator failure resulted in the loss of service to  
8 dozens or even a hundred homes, there would be a significant delay in service restoration.  
9 That is because, unlike for electric service, once gas service is interrupted, NJNG cannot  
10 simply flip a switch to instantaneously turn service back on after the regulator is thawed  
11 and repaired (a process that itself could take some time). Rather, before service could be  
12 restored, NJNG personnel would have to visit each of the affected premises to manually  
13 turn off the gas at each service line. Once NJNG accomplished that task, it could re-  
14 pressurize the gas mains, but would have to return again to each individual affected  
15 property in order to turn the gas back on manually and re-light the pilot for each  
16 appliance and furnace. If NJNG did otherwise—if it simply turned the gas back on *en*  
17 *masse* without visiting each property—each premises with unlit pilot lights may slowly  
18 fill up with gas, which could result in a dangerous, potentially, life-threatening condition.  
19 If only a few hundred houses lost service due to a regulator station failure, the totality of  
20 the restoration process could leave homes without heat for days, which in the winter  
21 months could lead to significant damage to homes (through freezing pipes, etc.) and/or  
22 the health and well-being of residents.

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1           Another possible consequence of a regulator failure due to freezing is an over-  
2           pressurization event. As previously described, if the frozen regulator equipment is  
3           unable to meet an increase in downstream demand, it will result in customer outages.  
4           However, if the frozen regulator is unable to respond to decreasing downstream demand,  
5           it is possible that gas may be delivered into the lower pressure system at pressures higher  
6           than the system was designed for, which can cause equipment failures, with potentially  
7           significant risk to lives and property.

8   **Q.   Are other operational issues caused by the continued use of the existing regulator**  
9   **station?**

10   **A.**   Yes. To avoid the equipment failures and service interruptions that are a very real risk  
11           from such ice encasing, NJNG must monitor the regulator station constantly, especially in  
12           the winter, to ensure that significant ice formation does not result in equipment  
13           malfunction or total failure.

14           If such inspection reveals that the regulator equipment is encased in ice, the  
15           Company undertakes the laborious and time consuming task of thawing out the  
16           underground equipment and pumping out water. Doing so requires NJNG to shut down  
17           the station, which results in a supply reduction to the rest of the Company's distribution  
18           system. And, because of its location within the busy jughandle of the Route 36-Laurel  
19           Avenue intersection, NJNG personnel are exposed to risk from traffic accidents, and the  
20           traveling public's sight lines are impacted by the necessary equipment and personnel  
21           trucks which could in turn lead to accidents. Indeed, freezing impedes personnel from  
22           conducting regular maintenance on the regulator.



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Moreover, in order to mitigate outage risks from the freezing issues at the existing regulator station, NJNG is running this portion of its system at sub-optimal pressures and gas flows. Although this reduces the temperature drop at the underground regulator station and the intensity of the freezing, freezing still occurs whenever gas temperatures drop below 32 degrees Fahrenheit. This mitigation burdens other regulator stations that must “take up the slack” due to the absence of a permanent regulator station in this area of Hazlet, and raises the potential for secondary failures. The installation of the Regulator Station at the Proposed Site will alleviate these negative operational conditions and should occur as soon as possible.

**Q. Have there been equipment malfunctions at the underground regulator station as a result of the freezing conditions?**

A. As a result of the practice of running the transmission system feeding the underground regulator at sub-optimal reduced pressures, the Company has experienced few full equipment failures, yet the consequence of failure (customer outages during the coldest days of the year) remains extremely high, regardless of frequency. And despite operation at a reduced pressure as mitigation, I note the following significant incidents that occurred in January 2014 and December 2016 at the existing underground regulator station.

- **January 6, 2014 incident:** Due to severe ice buildup on the downstream regulator feeding the 125 psig system, Gas Control lost the ability to control the station, and as a result pressures began to drop due to the downstream system demand. Multiple field crews were dispatched to correct the issue. The primary crew raised the first cut regulator to provide pressures that met the downstream demand, and

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1 subsequently thawed the failed regulator with a portable heater, pumped the water  
2 out of the underground vault, and disassembled and rebuilt the downstream  
3 regulator. A secondary crew was also dispatched to monitor and support the  
4 surrounding 125 psig system at adjacent regulator locations based on Gas Control's  
5 direction. The affected regulator was then tested, the station was returned to its  
6 normal configuration and placed into service over the next several hours.

- 7 • **December 18, 2016 incident:** Due to severe ice buildup on the downstream  
8 regulator feeding the 125 psig system, pressures began building up and Gas Control  
9 lost the ability to control the pressures at the station. Multiple field crews were  
10 dispatched to correct the issue. The primary crew shut the entire station down,  
11 while other crews raised the pressures at surrounding regulator stations to support  
12 the system demand. The affected regulator was thawed with a portable heater, and  
13 the water was pumped out of the underground vault. The regulator was then  
14 disassembled, rebuilt, tested and placed back into service over the next several  
15 hours under the direction of Gas Control.

16 It is very fortunate that customers did not experience gas outages from these  
17 incidents. But these incidents confirm that that the unheated underground regulator  
18 station should be replaced without further delay with the proposed Hazlet Regulator  
19 Station, including the heater, before an outage can occur. Waiting for a system failure to  
20 occur before proceeding with an industry standard installation that will address a known  
21 issue is counter to NJNG's obligation to operate a reliable system.

22 **Q. Does the new regulator station in Holmdel obviate the need for the proposed Hazlet**  
23 **Regulator Station?**

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1 A. No, it does not. The new regulator station in Holmdel will not obviate the need for the  
2 Regulator Station in Hazlet. Each regulator station is required to serve existing  
3 customers in their respective surrounding communities. The proposed Hazlet Regulator  
4 Station is a reliability project that is needed now to address the freezing issues with the  
5 current underground regulator station in Hazlet, which have continued following the new  
6 Holmdel regulator station commencing operations in September 2023.

7 **Q. The 2019 Energy Master Plan: Pathway to 2050 (2019 EMP) states that modeling**  
8 **shows that to meet climate goals, New Jersey will need to gradually reduce overall**  
9 **consumption of natural gas by 75% by 2050 via fuel switching from fossil fuels to**  
10 **electrification (EMP, pp. 174, 189). Assuming this reduction in consumption by**  
11 **2050 occurs, would that alter the need for the proposed Hazlet Regulator Station?**

12 A. No, it would not. Preliminarily, we note that the proposed Facility is a reliability project.  
13 The Company's request for approval of the Regulator Station is based on its ongoing,  
14 fundamental responsibility as a regulated natural gas public utility to provide reliable  
15 lifeline gas service, especially during cold winter months when customers are especially  
16 reliant on gas for heat and hot water, and to maintain its system in a condition to do so.  
17 Consistent with the Company's responsibility, the Regulator Station, with a heater, will  
18 maintain existing system reliability and support the provision of reliable service by  
19 reducing pressure while avoiding freezing conditions existing today.

20 Further, assuming that demand declines gradually until a reduction in gas demand  
21 of 75% (more or less) occurs in 2050, the need for the Regulator Station to reduce  
22 pressure from a higher pressure transmission system to a lower pressure distribution  
23 system will remain a requirement. The physical relationship between pressure reduction

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1 and temperature reduction will not change, and pre-heating of the gas with a heater will  
2 still be required for the foreseeable future.

3 **Q. Please identify other operational and reliability benefits of the Facility.**

4 A. As explained above, because the Regulator Station will more reliably and efficiently  
5 manage the significant pressure reduction from that upgraded transmission line to  
6 distribution system, the proposed Facility will allow the Company to operate the flow of  
7 natural gas to the residents of Hazlet and the surrounding municipalities more efficiently,  
8 reliably and safely. Critically, the proposed Facility is designed and intended primarily to  
9 provide natural gas service to the residents of Hazlet, though it will certainly also benefit  
10 customers in adjacent communities. The Regulator Station will allow NJNG to provide  
11 improved service to its 7,023 metered customers in Hazlet (6,358 residential and 665  
12 commercial). Further, because it will be equipped with a heater, the Regulator Station  
13 will eliminate the need for the Company to dispatch a work crew to inspect and monitor  
14 the underground regulator for freezing conditions.

15 The Regulator Station will be equipped with Supervisory Control and Data  
16 Acquisition (SCADA) transmitters that will provide real time monitoring of pressure,  
17 flows and temperature at the station itself and allow remote problem detection from  
18 NJNG's headquarters in Wall Township on a 24/7/365 basis. The new regulator will also  
19 have redundant regulators for each run. And its above ground location on the larger  
20 parcel NJNG purchased will allow better access for Company personnel to conduct  
21 regular maintenance, without having to deal with the heavy traffic at the current  
22 underground location at the intersection of Laurel Avenue and Route 36.

23 **Q. Does the Company have heaters on other regulators associated with its facilities.**

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1     A.     Yes. NJNG has heaters at 39 regulator stations similar to the Proposed Facility, many of  
2           which have been operating for decades.

3     **Q.     Is it standard industry practice for the Company to continue operating the existing**  
4           **underground regulator facility without a heater?**

5     A.     No. A regulator station fed by a high-pressure transmission line requires a heater and  
6           filter in order to properly operate and maintain the natural gas delivery system.

7     **Q.     Are there alternative methods to a regulator station with a heater to address the**  
8           **need to reduce pressure from the transmission line?**

9     A.     No. Only a regulator station can provide the needed reduction of pressure on the system.  
10          An above-ground regulator station with a heater is customary and the leading industry  
11          practice in the natural gas industry for reducing pressure from high pressure transmission  
12          lines, and is the Company's existing method to address high pressure drops at 39 other  
13          regulator stations in the system.

14    **Q.     Please describe the type of heater that will be used at the Regulator Station and why**  
15          **it was selected for the Facility.**

16    A.     The Company's proposed Regulator Station uses a Cold Weather Technologies (CWT)  
17          dry line heater. The heater is similar in size and operation to a furnace or boiler that  
18          might be found in an office building, but heats natural gas instead of air or water. The  
19          heater is advanced equipment that uses Heat Driven Loop technology that results in  
20          increased thermal efficiency, resulting in reduced emissions as compared to alternative  
21          types of line heaters. The reduction in emissions stems from the high efficiency of the  
22          closed loop system as well as reduced fuel consumption. An added benefit of lower fuel  
23          consumption is decreased operating costs. NJNG currently operates seven (7) CWT

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1 heaters in our system of varying sizes. We have used this technology since 2011 and our  
2 experience has been positive regarding performance, reliability and maintenance. The  
3 CWT heaters have exhibited very low failure rates requiring minimal maintenance and  
4 resulting in no system outages. The heater operates nearly silently. It has low emissions,  
5 with emissions several hundred times below allowable limits. Additionally, many  
6 components are readily available, which allows NJNG personnel to make repairs in a  
7 timely manner minimizing the risk for system related issues due to heater down time.

8 **Q. Did the Company consider alternative heaters for the facility?**

9 A. Yes. The Company considered alternative heater technologies. The Company  
10 considered a catalytic heater for this station, but determined it was inferior for a  
11 reliability project for several reasons. Of its 39 regulator stations with heaters, NJNG has  
12 catalytic heaters at 5 locations, and is familiar with their operation. As a general matter,  
13 CWT and catalytic heaters are comparable in that both use a similar amount of gas for  
14 combustion fuel during operation (although the catalytic heater uses a different  
15 technology), both are low emissions heaters, and both have a comparable cost. However,  
16 NJNG has not installed a catalytic heater unit since 2010 because it has experienced  
17 numerous issues with their reliability. NJNG has experienced extensive problems with  
18 the catalytic heaters' heater panels and circuit boards, as well as electrical issues.  
19 Between 2008 and 2010, NJNG installed 5 catalytic inline heaters at various regulator  
20 stations throughout our system. Within the first two years of operation, we had  
21 approximately 6 catalytic heater panels internal to the units experience major failures for  
22 various reasons at two specific locations, some multiple times. Within four years of  
23 operation, we were forced to replace all 32 catalytic heater panels at these very same

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1 locations, as well as three additional panels at a third location. In addition, at two of  
2 three locations described above, we have also experienced several electrical failures  
3 related to wiring, thermocouples and connectors. Repairs were complicated and took  
4 over a year. These problems recurred in 2019. Given these problems, installation of a  
5 catalytic heater does not comport with the purpose of the Regulator Station, which is to  
6 provide safe and reliable gas service to NJNG customers, and the Company has made the  
7 decision to no longer use this type of heater in its regulator station facility designs.

8 The Company also considered a water bath heater, which does operate reliably.  
9 However, the water bath heater is less desirable for this location since it is suited for  
10 pressure reduction at higher flow rates where a CWT heater cannot be used. For this  
11 location, the CWT heater is superior due to its smaller size and modular design, lower  
12 vent height, lower gas consumption, and greater thermal efficiency.

13 **Q. Will the Regulator Station be operated in compliance with all federal and state**  
14 **safety standards?**

15 A. Yes. NJNG complies with all federal, state and local safety laws and regulations. The  
16 Regulator Station will be subject to the federal safety regulations set forth at Title 49 of  
17 the Code of Federal Regulations, Part 192 and the BPU's pipeline safety rules and  
18 regulations set forth in N.J.A.C. 14:7. The Regulator Station will be remotely monitored  
19 by competent and highly trained Company personnel 24 hours a day, seven days a week,  
20 365 days a year at NJNG Corporate Headquarters in Wall, New Jersey. Specifically, the  
21 Regulator Station will be equipped with individual transmitters that monitor natural gas  
22 flows, pressures and temperatures. Thus, NJNG will be able to detect, investigate and  
23 rectify any abnormality. The current regulator also complies with relevant safety

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standards, but it should be replaced to enhance system reliability for the reasons discussed previously in my testimony.

**Q. Did the Company consider noise and air emissions from the Regulator Station?**

A. Yes, the Company commissioned studies of both noise and air impacts, which concluded that there will be no impacts to local residents. With regard to noise, the regulators will be the primary source of noise from the Facility, and NJNG will install acoustic sound blankets to mitigate noise impacts all around the inside of the fence enclosure. The Company's study concluded that noise produced by the Facility with the sound blankets will comply with Hazlet's local noise standards, which adopt the New Jersey Department of Environmental Protection model noise ordinance. These standards require noise at night to be at or below 50 dBA at the nearest residential property line, and the noise produced by the regulators will not exceed 45 dBA at the nearest residential property lines. In fact, the ambient existing noise in the vicinity of South Laurel Avenue (e.g., road noise) exceeds the noise that the Facility will produce. With regard to air, as the report submitted to the Hazlet Land Use Board showed, the heater vents do not emit any odor, and the products of the combustion vented from the heater are primarily carbon dioxide and water vapor, and emissions of regulated pollutants will be negligible. The heater is similar to a commercial boiler, several of which are present in commercial buildings in the vicinity.

**Q. Does this conclude your prepared direct testimony?**

A. Yes, it does. I reserve the right to supplement and/or amend this testimony.



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**I. INTRODUCTION**

**Q. Please state your name, affiliation, business address and educational background.**

A. My name is Marc Panaccione, and I am Director of Engineering for New Jersey Natural Gas Company (the “Company” or “NJNG”). My business address is 1415 Wyckoff Road, Wall, New Jersey 07719. I have been employed by the Company for over 20 years. I have a Bachelor of Science in Mechanical Engineering from the University of Maryland and an MBA from Rutgers University. I am a member of the American Gas Association Engineering Committee and the Society of Gas Operators.

**Q. Please describe your responsibilities as a Director of Engineering for NJNG.**

A. I am responsible for the engineering design, project management, construction oversight, system planning, and mapping of NJNG’s transmission and distribution system.

**Q. Have you previously submitted testimony before the Board of Public Utilities?**

A. Yes, I submitted direct testimony on behalf of the Company in the two matters docketed as GO18111257; PUC-17810-18 and GO17010023; PUC-01160-17 that were consolidated, and submitted rebuttal testimony as part of a panel of Company witnesses in those consolidated matters. Those matters involved a NJNG natural gas regulator station in Holmdel Township. I also provided live testimony in those matters before Administrative Law Judge Elia A. Pelios.

**Q. What is the purpose of your testimony in this proceeding?**

A. My testimony describes the location, design and construction of NJNG’s proposed new regulator station (the “Regulator Station” or “Facility”) in Hazlet Township (“Hazlet”). I will also describe NJNG’s process for considering alternative sites for the Facility.

**II. LOCATION, DESIGN, AND CONSTRUCTION OF THE FACILITY**

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1   **Q.   Please provide an overall summary of the Facility.**

2   A.   As explained more fully in the testimony of Kraig Sanders, NJNG's Vice President  
3       responsible for pressure management and transmission, the Facility will support and  
4       enhance the reliability and integrity of NJNG's local distribution system because it will  
5       allow the Company to reliably, efficiently and safely reduce the gas pressure by  
6       approximately 600 pounds per square inch gauge ("psig") from the transmission system  
7       in Hazlet to the Company's distribution system for delivery to customers in Hazlet and  
8       surrounding municipalities. Critically, the design of the Regulator Station, through the  
9       use of an above-ground heating unit, will prevent the regulators and associated equipment  
10      from freezing and becoming encased in thick ice, which can result in a loss of service to  
11      the local distribution system. Indeed, as explained in Kraig Sanders' testimony, the  
12      above-ground heating unit is absolutely essential to the Regulator Station's ability to  
13      reliably and efficiently manage the significant pressure reduction between NJNG's  
14      transmission system and distribution system, and thereby to provide safe, adequate,  
15      reliable and efficient gas service to NJNG's customers in the nearby geographic area.

16   **Q.   Please generally explain the scope and location of the Facility.**

17   A.   The Regulator Station is a natural-gas pressure reduction facility. It will consist primarily  
18      of underground gas piping and above ground equipment consisting of one filter (to clean  
19      the gas of impurities), a heating unit to preheat the gas, one control box housing  
20      communications and electrical equipment, two regulator runs (with dual runs), and an  
21      emergency backup generator. The Regulator Station will occupy a small portion of a 6.9  
22      acre property purchased by NJNG and located at 455 and 469 South Laurel Avenue,  
23      Hazlet, New Jersey, consisting of lots 27 and 29 on block 120 (the "Proposed Site" or the

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1 “Site”). The area of the Regulator Station is approximately 101 feet by 101 feet, or  
2 10,191 square feet, making up less than 3.4% of the overall site. There is no building  
3 associated with the Facility. As discussed in more detail below, the equipment is enclosed  
4 by a fence (affixed with noise dampening acoustic blankets) for security, buffering and  
5 screening.

6 **Q. Can you describe the Facility and Proposed Site in more detail?**

7 A. Yes. As noted above, the Facility will consist of a filter, heater, two regulator runs,  
8 associated piping, a control box, and an emergency backup generator. The Regulator  
9 Station's filter, which acts as a scrubber cleaning the gas of impurities, will be  
10 approximately 6.5 feet long, 2.5 feet wide and 3.5 feet tall, and will be placed on a  
11 concrete pad.

12 The heating unit, which is manufactured by Cold Weather Technologies, is the  
13 largest piece of equipment. It is 26.8 feet long and 9.9 feet wide, and has three vents, each  
14 of which is 12 inches in diameter and extend to approximately 15 feet in height.

15 The regulators will be connected to short above-ground sections of 4-inch and 8-  
16 inch piping. The bulk of the piping for the Facility is located approximately 3 feet  
17 underground. There will be two regulator runs. One regulator run serves the system  
18 operating at a maximum allowable operating pressure (“MAOP”) of 125 psig (pump  
19 lines), and the other serves the system operating at an MAOP of 35 psig (distribution  
20 lines). Each run consists of two lines, and each line will have two regulators for  
21 redundancy. If one regulator is deactivated for maintenance or fails due to equipment  
22 malfunction, the other will continue to operate to maintain system pressure and deliver  
23 uninterrupted natural gas. The Facility will also have a control box housing

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1       communications and electrical equipment, which allows NJNG to monitor pressure,  
2       flows and temperature 24 hours a day, 7 days a week and 365 days a year from its  
3       headquarters, and make adjustments remotely. The regulators, filter and control box will  
4       be constructed a maximum of four (4) to six (6) feet above ground.

5               In addition, a small 10,000-watt emergency generator with approximate  
6       dimensions of 30.1 inches (height) by 13.5 inches (width) by 6.91 inches (depth), similar  
7       to what would be found at a home, is proposed for use only in the event of a power  
8       failure. It will not be operational at all times, but only for emergencies. The facility will  
9       include four twelve (12) foot high lights which are to be switched on manually only when  
10      the site is occupied, and not equipped with motion sensors. This lighting will be used  
11      only in emergency situations or during unscheduled maintenance as needed, to avoid the  
12      need to bring portable lighting to the site in such situations. The lights are strategically  
13      placed (two on the southern side, one in the northeast corner, and one in the northwest  
14      corner) to provide light on the specific equipment that must be maintained. When in use,  
15      the light would not be visible more than 60 feet away, and, in any event, the landscaping  
16      around the station will be taller than the light fixtures.

17             The installation will be equipped with an eight (8) foot high chain link fence  
18      around the entire perimeter of the station for security, buffering and screening purposes.<sup>1</sup>  
19      Acoustic sound barrier blankets are to be installed on the interior of the entire fencing  
20      surrounding the station, as well as the interior of the ten (10) foot section of fence to the

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<sup>1</sup> An eight (8) foot high slide gate at the entrance to the installation is proposed to accommodate service vehicles, and a three (3) foot wide, eight (8) foot high swing gate is proposed along the rear of the installation for egress.

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1 north of the entrance gate to the station. In addition to mitigating sound from the station,  
2 the blankets will also provide a visual screen of the regulator equipment. The area inside  
3 the fence will be covered with crushed stone and will include protective concrete-filled  
4 steel bollards around the equipment.

5 The Facility will be screened from view by extensive existing natural wooded  
6 buffering and extensive additional landscaping that NJNG will install. As to existing  
7 buffering, to the north there is an existing tree line along the border of the mobile home  
8 park, which will remain mostly intact. To the east, there is an extensive existing natural  
9 wooded area separating the facility from South Laurel Avenue, and there are numerous  
10 existing trees around the adjacent two residential lots fronting South Laurel Avenue (one  
11 on the northeast corner in lot 28 and one on the southeast corner in lot 32). On the west  
12 side, the Proposed Site is bordered by Natco Lake Park. This park is a heavily wooded  
13 passive recreation area.

14 In addition to the existing natural wooded buffering, the Company proposes to  
15 install numerous deciduous trees and evergreen trees throughout the property and all  
16 sides of the Proposed Site in order to provide year-round visual buffering, as shown on  
17 Exhibit P-3. This includes approximately 203 evergreens, 37 deciduous trees, 10  
18 ornamentals (e.g., dogwoods) and 56 shrubs. The evergreens are 8 to 12 feet tall on  
19 planting and will grow to about 16 feet after five years. The deciduous trees are 14 to 16  
20 feet tall on planting and will grow to about 20 feet after five years. NJNG will also  
21 remove a driveway running along the northern property line, replace it with a three (3)  
22 foot tall berm and install numerous trees including evergreens along this border to block  
23 the Regulator Station from the view of the mobile home park. In addition to installations

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1 along the perimeter of the Proposed Site, plantings of evergreens will also occur on the  
2 interior of the Proposed Site around the fenced in Regulator Station itself, and on the west  
3 side of the two residential lots, to screen the Regulator Station from view all year. (See  
4 Exhibit P-3). These plantings will be higher than the fence around the Station on  
5 planting, and higher than the vents after five years. In addition, NJNG will install a low  
6 maintenance pollinator meadow to restore and enhance the disturbed portions of wetlands  
7 buffer areas. Specifically, NJNG will install pollinator-friendly herbaceous vegetation  
8 consisting of native grass and wildflower species that provide numerous and significant  
9 environmental benefits including enhanced water quality, increased biodiversity, and  
10 improved soil health.

11 The Facility will be accessed by a 450-foot long driveway consisting of densely  
12 graded aggregate and gravel. An existing four (4) foot tall swing gate will be located  
13 across the driveway 25.03 feet back from the property line on South Laurel Avenue. The  
14 driveway will be twenty (20) feet wide to accommodate emergency vehicles, and there  
15 will be a turnaround area for vehicles near the Facility.

16 Although the 6.9 acre Proposed Site is located in the R-100 (residential) zone, it  
17 has several unique features. The Site is very close to the current underground regulator  
18 station. As discussed in more detail below, the Site was previously used by the prior  
19 owner as a commercial excavation business, such that it had a storage yard with trucks  
20 and other heavy equipment. The Proposed Site is located on the west side of South  
21 Laurel Avenue. Bordering the south side of the Site is the commercial Helfrich & Sons  
22 Charter Bus Company, which has a large paved lot covered with busses, and is separated  
23 from the Site by a wooded area. Bordering the north side of the Site is a mobile home

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1 district (MHD) containing the Holly Hill Mobile Terrace Home Park, with an existing  
2 tree line along the property line between the Site and the MHD. Bordering the west side  
3 is Natco Lake Park, which is approximately 260 acres of wooded and natural land. (See  
4 Exhibits P-3, P-4, and P-5) Residences are across South Laurel Avenue to the east, and  
5 one residence is located on Lot 32 on the west side of South Laurel Avenue.

6 The large size of the Proposed Site allows the Facility to be located back from  
7 South Laurel Avenue and away from any residences. Indeed, the Facility will be over  
8 600 feet from the property line on South Laurel Avenue (and more than two football  
9 fields from the residences across the other side of South Laurel Avenue). The Facility is  
10 117 feet from the closest property line (and 194 feet from the closest home) located in the  
11 mobile home park to the north. The Facility is 377 feet from the property line of Lot 32,  
12 which contains a residential home (and 535 feet from the home on Lot 32). As noted  
13 above, and shown in Exhibit P-3 (Site Plan), the existing and proposed landscaping will  
14 screen the station from view from all of the possible visual perspectives.

15 Although I am not a land use expert or attorney, I am aware that the Facility has  
16 been designed to satisfy the conditions imposed in Hazlet for public utility facilities in  
17 zones where such facilities are a conditionally permitted use. Specifically, (i) the fence  
18 surrounding the regulators and heater will be more than six (6) feet tall (the condition is  
19 that a continuous six-foot fence screen the facility from public view); (ii) the Facility will  
20 be more than fifty (50) feet from the property line of any property used for residential  
21 purposes; (iii) the four (4) light fixtures will not be operated as part of normal operations  
22 but rather will be switched on only in the unusual event of emergency nighttime  
23 maintenance, and in any event any illumination does not extend more than 60 feet and the

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1 Site landscaping features will provide screening; and (iv) the Facility includes adequate  
2 safety measures.

3 **Q. Can you describe construction of the Facility?**

4 A. NJNG expects construction to last approximately three months. The majority of the  
5 work—such as grading, piping and equipment installation, landscaping, and fence  
6 installation—will take place on the Proposed Site. NJNG anticipates that work on the  
7 travelled portion of South Laurel Avenue will last one week. Material deliveries and  
8 hauling are limited and will have a minimal impact on the surrounding roadways. NJNG  
9 plans to perform construction during normal working hours, Monday through Friday, so  
10 as to minimize disturbance to residents.

11 **III. NEED FOR THE ABOVE GROUND HAZLET REGULATOR STATION**

12 **Q. Can the Regulator Station be located underground?**

13 A. No. NJNG must locate the heater and filter equipment above-ground to ensure adequate  
14 ventilation and air flow and because that equipment is incompatible with groundwater  
15 that can be encountered at an underground site. Also, NJNG needs above-ground access  
16 to the equipment to perform regular inspection and maintenance.

17 **Q. Can the proposed Regulator Station be located where the current station is located?**

18 A. No. The current regulator station is located in small underground vaults at the jughandle  
19 of South Laurel Avenue and Route 36. This location is not appropriate for an above  
20 ground Regulator Station for safety and logistical reasons because it is in the middle of a  
21 heavily-trafficked state highway intersection and would be highly visible and accessible  
22 to the public. It is a very difficult location for NJNG trucks and personnel to operate  
23 safely in the midst of surrounding traffic.



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**IV. SITE SELECTION AND ALTERNATIVES**

**Q. Please describe the criteria NJNG utilized to select the location for the proposed Facility.**

**A.** Over the course of several years beginning in 2012-2013, NJNG engaged in a site selection and alternative site analysis process (the “Site Analysis”) in an effort to find the most suitable location for the Facility that would have a minimal impact on Hazlet and its residents. Several siting criteria guided and informed the Site Analysis, and ultimately limited the available site options.

First, it was important from an operational and engineering standpoint to locate the Regulator Station as near as practicable to the location of the existing underground station. The Regulator Station must operate in conjunction with NJNG’s existing transmission and distribution system in the ground. This Regulator Station must feed the 125 psig system feeding Hazlet and the surrounding areas and the 35 psig system feeding Hazlet customers located from Route 36 towards Middle Road. (See Exhibit P-5, showing 722 psig transmission line in purple, 125 psig lines in orange, and 35 psig lines in green). The location of the existing station was designed into NJNG’s system as an appropriate offtake point for a regulator station to reduce pressure and feed the distribution system serving Hazlet and the surrounding area. A site near the existing underground station is optimal to maintain adequate spacing between NJNG’s various regulator station feeds to support pressures throughout the system and minimize system vulnerability and service interruptions in the event one of them becomes inoperable. In addition, a site adjacent to the transmission line along South Laurel Avenue is preferable to a site along Route 36. This is because the Regulator Station must tie into both the 722

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1       psig transmission line and the 125 psig pump lines. Along South Laurel Avenue, the  
2       transmission line and the pump lines are located in close proximity to each other, whereas  
3       these two lines are located further apart from each other in the Route 36 corridor. It  
4       would be more costly and disruptive to construct the regulator station so that it must  
5       connect to the existing infrastructure in the right-of-way within the major thoroughfare of  
6       Route 36, as opposed to constructing it along South Laurel Avenue.

7               Second, the chosen site had to be large enough to accommodate the proposed  
8       Facility. As explained above, the proposed Facility requires an area of approximately  
9       10,000 square feet to house all of the necessary equipment, including a filter, regulator  
10      runs, associated piping, and control box, as well as additional space for landscaping to  
11      provide for buffering and screening.

12             Third, the Regulator Station should be located on a lot adjacent to the  
13      transmission line running through Hazlet (i.e., along South Laurel Avenue or, less  
14      preferably, Route 36) to realize efficiencies from NJNG's existing infrastructure.  
15      Selecting a site that is not adjacent to the transmission corridor would require NJNG also  
16      to construct a costly and disruptive extension of the transmission line to reach that site.  
17      This also allows ready access for Company personnel.

18             Fourth, there are several types of properties that NJNG either avoids or cannot use  
19      for its gas delivery facilities. NJNG attempts to avoid placing its facilities in residential  
20      zones and find suitable locations with commercial, industrial or utility zoning. That is  
21      because, although Regulator Stations can be safely and reliably constructed and operated  
22      in residential areas, and NJNG has several in its system, it is typically more difficult to  
23      obtain property rights (such as easements) and necessary zoning approvals in

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1 residentially zoned areas. Nonetheless, residential properties may be appropriate to the  
2 extent they are suitable to a particular Regulator Station, are available as sites, and are  
3 superior to alternatives, particularly if they have certain characteristics similar to  
4 commercial properties, like an existing commercial use on the site or on other properties  
5 in the area. Further, in this specific case, the entirety of the transmission corridor along  
6 South Laurel Avenue is zoned residential and precludes utility uses, such that it would  
7 not be responsible to eliminate all properties from consideration given the need for the  
8 Regulator Station to ensure reliable service to residents residing in this very area. In  
9 addition, the transmission corridor to the west along Route 36 is located in the B-H  
10 (business highway) zone, which also precludes utility uses.

11 Moreover, NJNG is prohibited under any circumstances from locating its facilities  
12 on Farmland Preserved properties. NJNG is also prohibited, without first getting difficult  
13 to obtain authorization from the State, from using properties purchased with Green Acres  
14 funding.

15 To minimize environmental impacts, NJNG prefers sites with little or no required  
16 tree clearing or land that is already developed, since only a small parcel is needed for the  
17 actual Regulator Station.

18 The Company also endeavors to avoid wetlands, flood zones, and low lying areas  
19 because they present a heightened risk of flooding and, more importantly, freezing during  
20 the winter months. Further, NJNG looks for sites with no environmental or contamination  
21 issues in areas that would need to be disturbed for construction of the project and  
22 certainly no such issues on the area of the site where the regulator station itself would be  
23 installed.

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1           With those criteria in mind, NJNG's Site Analysis focused on determining the  
2           most operationally suitable location that would enable NJNG to improve and reinforce  
3           existing service reliability with minimal impact to the surrounding properties. To that  
4           end, NJNG's Site Analysis considered potential impacts of each possible site from  
5           several perspectives: (1) impacts to residential areas; (2) existing environmental  
6           conditions; and (3) engineering considerations.

7   **Q.   Were alternative locations considered?**

8   A.   Yes. Even though it is important to locate the Regulator Station close to the existing  
9           underground regulator and along South Laurel Avenue, NJNG examined the entire  
10          transmission line corridor below Natco Lake Park on Route 36 east to the intersection of  
11          South Laurel Avenue, and south along South Laurel Avenue to Middle Road. Exhibit P-  
12          5 to the Petition is a map depicting the transmission line corridor that was considered. As  
13          the below discussion demonstrates, NJNG's analysis revealed very few possibly suitable  
14          locations for the Regulator Station.

15 **Q.   Please describe why NJNG chose the subject location in Hazlet for the Facility and**  
16 **why it is the best suited location for that use?**

17 A.   The location is optimal for the Regulator Station. The Regulator Station will be located  
18          on a small portion of a 6.9 acre site that was subject to a prior commercial use by an  
19          excavation company. Exhibit P-3 attached to the Petition, which was presented to the  
20          Hazlet Land Use Board, contains the site plan and landscaping for the Facility at this  
21          location. NJNG proposes to construct the Facility within an approximately 10,000 square  
22          foot area towards the back-center of the property located on the western side of the lot.  
23          This Proposed Site is of sufficient size and will provide ample distance and buffering

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1 between the Facility and other properties. The Proposed Site also borders 260 acres of  
2 open space to the rear of the property, further isolating it from residential properties.

3 Another benefit of this Site is that it will allow NJNG to locate the Facility along  
4 the transmission line. Significantly, the Proposed Site is located near the current station,  
5 which (as explained above) will enable NJNG to maximize use of its previously built  
6 infrastructure. The site is not encumbered with Green Acres or Farmland Preservation  
7 restrictions. There are no prohibitively low elevations in the area where the Facility will  
8 be, and NJNG is not required to clear a significant number of trees, but rather is leaving  
9 most existing trees and adding new trees. There are no environmental constraints that  
10 would prevent the development of a regulator station on the selected portion of the  
11 Proposed Site, although the Company will conduct limited environmental remediation  
12 (e.g., soil excavation) of contamination that was present on the Proposed Site as a result  
13 of prior uses of the property. Finally, as discussed below, NJNG has been able to  
14 purchase the entirety of the Proposed Site (Lots 27 and 29), so that it can place the  
15 Facility in the optimal location on the Proposed Site and install extensive buffering and  
16 screening of surrounding areas to avoid impacts to neighboring residents.

17 **Q. Are there any other improvements to the Proposed Site that mitigate local impacts**  
18 **and provide benefits to the surrounding area.**

19 A. I am not a land use expert, but can present facts regarding certain aspects of the Proposed  
20 Site and NJNG's efforts that should benefit Hazlet and its residents. Prior to NJNG's  
21 purchase of the Proposed Site, it was used for a commercial excavation business, had a  
22 storage yard for trucks and heavy equipment (i.e., dump trucks, equipment trailers, a  
23 backhoe, a bulldozer, a bobcat, and a landscape trailer), and had a number of employee

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1 vehicles parked on site. That commercial use, those obtrusive items on site, and the  
2 frequent entry and egress of vehicles has been eliminated. Instead, the Site, other than  
3 the Regulator Station at its rear, will become a wooded meadow, with trees and grasses  
4 that require minimal maintenance. In addition, and unrelated to the Regulator Station area  
5 of the Site, NJNG will remediate certain areas of contaminated soil left by the prior  
6 owner. As noted above, a long driveway along the border of the MHD district in Lot 27  
7 will be removed and replaced with a berm and landscaping.

8 **Q. Has the Company considered impacts to local residents from station noise and air**  
9 **emissions?**

10 A. Yes. As discussed in the testimony of Mr. Sanders, the Company commissioned studies  
11 of both noise and air impacts, which concluded that there will be no impacts to local  
12 residents.

13 **Q. Please explain why the other alternative locations were not selected.**

14 A. Beginning in 2012-2013, NJNG considered properties for the location of the Facility all  
15 along the transmission corridor from Middle Road along South Laurel Avenue north to  
16 Route 36, and then west along Route 36 up to Natco Lake Park.

17 NJNG considered the property located at 461 Middle Road in Holmdel at the  
18 intersection of Laurel Avenue and Middle Road ("Middle Road Site"), which formerly  
19 had been used for a commercial landscaping business, but the Company was unable to  
20 obtain rights to the property. Further, this property was located further away from the  
21 location of the current regulator, which made it less optimal than other potential sites.  
22 The Middle Road Site thus was not viable. This site has since been developed with multi-  
23 family housing.

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1           Looking north along South Laurel Avenue from the Middle Road Site, the  
2           transmission line corridor is surrounded by small, residentially zoned lots currently  
3           occupied by homes, all of which are not viable sites for the Regulator Station, until you  
4           reach the Helfrich & Son property located at 503 South Laurel Avenue (the “Helfrich  
5           Property”), the location of a school bus operator. Notwithstanding this commercial use,  
6           the Helfrich Property is located in the R-100 (residential) zone. The use of the Helfrich  
7           Property as a parking lot for school buses leaves little space that could be available for  
8           the Regulator Station. The Helfrich Property thus was not viable.

9           NJNG next considered the property located at 455 and 469 South Laurel Avenue,  
10          which includes Lot 29. Like the Helfrich Property, this property is located in the R-100  
11          (residential) zone, but at the time was subject to commercial use for an excavation  
12          business. The owner of this property was willing to grant an easement to the Company,  
13          and there was adequate space to site the Regulator Station on this property. This property  
14          was a viable site for the Regulator Station.

15          The site of the current regulator in the jughandle of Route 36 and South Laurel  
16          Avenue also is located along the transmission corridor, but it is not a viable location for  
17          the Facility. This location is not appropriate for an above ground Regulator Station for  
18          safety and logistical reasons because it is in the middle of a heavily-trafficked state  
19          highway intersection and would be highly visible and accessible to the public. It is a very  
20          difficult location for NJNG trucks and personnel to operate safely in the midst of  
21          surrounding traffic.

22          As discussed above, properties along South Laurel Avenue are preferable sites for  
23          the Regulator Station. Nevertheless, the Company considered several sites along Route

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1 36 from the South Laurel Avenue intersection going west to Natco Lake Park. None of  
2 these properties were viable for several reasons. First, there was little available space for  
3 the Regulator Station on these sites and the area is generally developed, such that the  
4 Regulator Station would be located close to occupied structures if it were constructed in  
5 this corridor. Further, many properties along this corridor contain wetlands or are subject  
6 to flooding, making them inappropriate for development of the Regulator Station.

7 As a result, NJNG was left with only one viable location for the Facility: an  
8 easement area on Lot 29 ("Original Proposed Site"), which at the time was in use as a  
9 commercial excavation business. The Original Proposed Site consisted of an easement  
10 area of 100 feet by 136.23 feet, on Lot 29. The proposed location of the Facility on the  
11 Original Proposed Site was about 257 feet west of South Laurel Avenue, about 42 feet  
12 from the residential property on Lot 32, and about 317 feet from the property line of the  
13 mobile home park to the north. This area was dictated by the owner as the only area on  
14 Lot 27 wherein he would permit the Facility. This site was presented to the Hazlet Land  
15 Use Board in a 2019-2020 proceeding.

16 **Q. Did NJNG consider any property owned by the Township of Hazlet?**

17 A. Based on the Site Analysis, NJNG concluded that there is no suitable property owned by  
18 Hazlet in close proximity to the transmission line, and none were suggested by Hazlet  
19 during the 2019-2020 or 2024-2025 land use proceedings.

20 **Q. Can you please describe NJNG's efforts to date to obtain required land use**  
21 **approvals from Hazlet Township?**

22 A. Yes. With respect to the Original Proposed Site, on March 23, 2019, NJNG filed an  
23 application with the Hazlet Land Use Board requesting a "D(1)" (use) variance to permit



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1 public utility use at the Original Proposed Site and several “C” variances relating to, e.g.,  
2 fence and wall height, signage, and driveway setback requirements. Hearings were held  
3 on January 16, 2020, February 20, 2020, and December 3, 2020.

4 **Q. Were there any comments from the Hazlet Land Use Board that informed the**  
5 **Company’s consideration of the Proposed Site.**

6 A. Yes. At one of the hearings, a Board member questioned why the Facility could not be  
7 placed further back on Lot 29 from South Laurel Avenue away from the residential  
8 property line on Lot 28. The former property owner of Lot 29, however, from whom  
9 easements were obtained for the Facility, restricted the Company to the area of the  
10 Original Proposed Site. In addition, the Hazlet Land Use Board attorney questioned  
11 whether the Facility could be located further back 100 feet on Lot 29 if NJNG owned the  
12 entire lot.

13 Subsequent to the December 3, 2020 Hazlet Land Use Board hearing, at which  
14 discussions indicated that the owner was considering selling the Proposed Site, NJNG  
15 withdrew its first application for the Original Proposed Site easement area, and pursued  
16 the purchase of the Proposed Site and relocation of the Facility towards the back-center  
17 of that Site.

18 **Q. Did NJNG conclude that the Proposed Site was suitable for the Facility?**

19 A. Yes. NJNG concluded that locating the property on a portion of Lot 29 at 469 South  
20 Laurel Avenue was suitable for the Regulator Station, that Lot 27 at 455 South Laurel  
21 Avenue would provide an additional buffer area, and that the property owner was willing  
22 to sell both Lots to NJNG at a reasonable prices. Thereafter Lot 29 and Lot 27,  
23 encompassing 6.9 acres, were purchased by NJNG and became the Proposed Site. I

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1 explained the many benefits of the Proposed Site earlier in my testimony. Among other  
2 things, the purchase allowed the movement of the Regulator Station farther back from the  
3 residential property on Lot 32 (to about 377 feet from the property line).

4 **Q. Please describe the subsequent attempt to obtain Hazlet Land Use Board approval.**

5 A On or about March 12, 2024, NJNG applied to the Hazlet Land Use Board with respect to  
6 the Proposed Site seeking (1) preliminary and final major site plan approval, (2) a “D(1)”  
7 variance for a public utility use in the R100 (residential) zone where it is not permitted,  
8 (3) if deemed necessary, “C” variances for (i) an eight foot fence enclosing the regulator  
9 station and associated equipment whereas a maximum six foot fence is permitted, (ii) to  
10 maintain an existing 4 foot tall security swing gate at a distance of 25 feet from the front  
11 yard setback line, whereas fencing is not permitted within the required minimum 35 foot  
12 front yard setback line (iii) to affix two BPU-required 16” by 22” regulatory signs on the  
13 fence enclosing the regulator station and associated equipment and two more such signs  
14 on the swing gate near the driveway on South Laurel Avenue, (iv) to permit an interior  
15 driveway at a width of 20 feet, whereas a minimum width of 24 feet is required for two-  
16 way traffic movement; (v) and to maintain the existing non-conforming lot frontage for  
17 Lot 27 which measures 107 feet in width whereas a minimum of 150 feet is required  
18 (during the course of the hearing, NJNG agreed to merge Lots 27 and 29 together and this  
19 variance was eliminated) and (4) certain design waivers and exceptions. On February 26,  
20 2025, the Hazlet Land Use Board held a hearing on NJNG’s application. At the  
21 conclusion of the hearing, it denied NJNG’s application. (See Exhibit P-7) As a result,  
22 NJNG must bring this matter to the Board.

23 **Q. Have you made any accommodations at the request of Hazlet Township?**

**NEW JERSEY NATURAL GAS COMPANY  
PREPARED DIRECT TESTIMONY OF MARC PANACCIONE**

1     A.     Yes, the Site will include a parking space of 9 by 20 feet adjacent to the station at the  
2           Township's request. In addition, as I noted above, the Company will plant more than 200  
3           trees at the Proposed Site as extensive screening measures.

4     **Q.     Has the Company considered the costs of the Facility at this location and are they**  
5           **reasonable?**

6     A.     Yes and yes. The Company's number one commitment to stakeholders is to provide safe  
7           and reliable service that is reasonably priced. The proposed Regulator Station, as  
8           designed with a heater and other above ground components, is required to adequately and  
9           reliably support NJNG's local distribution system in Hazlet and the surrounding  
10          communities. The current estimated total cost of this regulator station is \$6.6 million,  
11          including \$3.7 million for land and facility construction and \$1.5 million for the local  
12          approval process. This cost of the Regulator Station is reasonable given that it is needed  
13          to provide reliable service and is outweighed by the high consequences of an outage  
14          leaving scores of customers without service for an extended period in winter.

15    **Q.     Does this conclude your prepared direct testimony?**

16    A.     Yes, it does. I reserve the right to supplement and/or amend this testimony.





PREPARED BY:

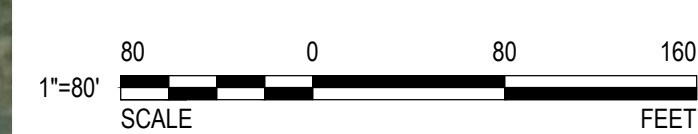
**Najarian Associates**  
Professional Engineers, Land Surveyors & Planners - Scientists  
One Industrial Way West, Eatontown, New Jersey 07724  
(732) 389-0220 • Facsimile No. (732) 389-5546  
Certificate of Authorization Certificate # 24GA27993300

APPLICANT:

**New Jersey Natural Gas**  
NEW JERSEY NATURAL GAS COMPANY  
1415 WYCKOFF ROAD  
WALL TOWNSHIP, NJ 07719

Najarian Associates, a registered alternate name of T.O. Najarian Associates, Inc.





LOT 29

AERIAL EXHIBIT

469 SOUTH LAUREL AVENUE  
BLOCK 120: LOT 29 TAX SHEET #1.05  
HAZLET TOWNSHIP  
MONMOUTH COUNTY, NEW JERSEY

JOB NO.		7130	
FILE NAME			
7130-Aerial Exhibit.dwg			
DRAWN		REVIEWED	
AR		BMT	
DATE		SCALE	
2/17/2025		1"=80'	
SHEET NO.			
1			

[illegible]

AERIAL EXHIBIT



HAZLET TOWNSHIP - LAUREL AVE







TOWNSHIP OF HAZLET

LAND USE BOARD SPECIAL MEETING

-----  
IN RE: NEW JERSEY NATURAL GAS

TRANSCRIPT

NEW CASE # 24-03L

OF

Block 120

Lots 27 & 29

PUBLIC HEARING  
-----

Held At: 1766 Union Avenue  
Hazlet, New Jersey

When: Wednesday, February 26, 2025

A P P E A R A N C E S:

CLIFF MOORE, Board Chairman  
MICHAEL LENCSAK  
KATHY BOSSERT  
THOMAS HORNER, Fire Official  
STEVE GROSSMAN  
DAVID PERSONETTE  
STEVEN MARTINEZ

CHRISTOPHER SOBIESKI, ESQ. - Board Attorney  
NATHAN FOOTE - Borough Planner  
TREVOR TAYLOR - Borough Engineer  
RACHEL HUNDLEY - Recording Secretary

PRECISION REPORTING SERVICE  
Certified Shorthand Reporters  
(908) 642-4299



1 ALSO PRESENT:

2 LISA JOHN-BASTA, ESQ.  
 CHIESA, SHAHINIAN & GIANTOMASI PC  
 3 Attorney for the Applicant

4  
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25

1 (Meeting opened at 7:02 p.m.)

2 CHAIRMAN MOORE: Good evening.

3 I will call the special meeting of the  
4 Hazlet Land Use Board meeting.

5 I will ask everybody to please rise, and  
6 we will salute the flag. Then we will do a moment of  
7 silence, please.

8 (Flag salute; moment of silence.)

9 CHAIRMAN MOORE: Thank you.

10 BOARD SECRETARY: In Compliance with the  
11 Open Public Meetings Act of the State of New Jersey,  
12 adequate notice of this meeting of the Land Use Board  
13 scheduled for February 26, 2025, was provided in the  
14 following manner: On February 14, 2025, advance written  
15 notice of this meeting was posted at 1766 Union Avenue,  
16 Hazlet, New Jersey. And on February 14, 2025, advance  
17 written notice of this meeting was forwarded to the Asbury  
18 Park Press and Star Ledger.

19 Fire exits are located in the directions  
20 indicated. To my right is an exit that leads to a hallway  
21 and directly to the front and rear of the building down the  
22 staircase and outside. Farther down at the end of the left  
23 and right side of this room are doors, which lead directly  
24 to the main staircases and elevator to the first floor and  
25 out the front door.

1                   If you are alerted to a fire, please move  
2   in a calm and orderly manner to the nearest exit.

3                   In case of a fire, not use the elevator.

4   Thank you.

5                   Roll call.

6                   Mr. Cavanaugh.

7                   Mr. Moore.

8                   CHAIRMAN MOORE:   Here.

9                   BOARD SECRETARY:   Mr. Glackin.

10                  Committeeman Preston.

11                  Mr. Lencsak.

12                  MR. LENCSAK:   Present.

13                  BOARD SECRETARY:   Ms. Bossert.

14                  MS. BOSSERT:   Here.

15                  BOARD SECRETARY:   Mr. Horner.

16                  MR. HORNER:   Here.

17                  BOARD SECRETARY:   Mr. Bace.

18                  Mr. Pereira.

19                  Alternate one, Mr. Grossman.

20                  MR. GROSSMAN:   Yes, here.

21                  BOARD SECRETARY:   Alternate two, Mr.

22   Personette.

23                  MR. PERSONETTE:   Here.

24                  BOARD SECRETARY:   Alternate number

25   three, Mr. Martinez.

1 MR. MARTINEZ: Here.

2 BOARD SECRETARY: The professionals:  
3 Mr. Sobieski.

4 MR. SOBIESKI: Here.

5 BOARD SECRETARY: Mr. Taylor.

6 MR. TAYLOR: Here.

7 We also have Mr. Foote here. He is a  
8 professional planner from our office.

9 MR. SOBIESKI: Thank you.

10 CHAIRMAN MOORE: We are starting a new  
11 case, number 24-03L; New Jersey Natural Gas 455 and 469  
12 South Laurel Avenue block 120 lots 27 and 29 in the R-100  
13 zone.

14 The applicant is seeking preliminary and  
15 final site plan and use variance to approve a natural gas  
16 regulator station.

17 MR. SOBIESKI: Mr. Chairman, I want to  
18 point out for the record I did have an opportunity to  
19 review the applicant's notice for this evening.

20 I find it to be sufficient both in terms  
21 of its content and timeliness of its service being sent by  
22 certified mail to owners of properties being 200 feet of  
23 the subject property on February 13, 2025. It was also  
24 published in Asbury Park Press on February 12, 2025, with  
25 more than 10 days in advance of tonight's hearing. Thus,

1 inherently beneficial use, we do not have to prove  
2 particular site suitability for the use.

3 I think it is just as stated. This  
4 supports the infrastructure. And this is what we are  
5 before the board with.

6 CHAIRMAN MOORE: Just if you recall,  
7 this was I believe the same site we brought up in 2020.

8 MR. TAYLOR: I wasn't here in 2020.

9 CHAIRMAN MOORE: 2020 we had similar  
10 discussions on that that there were other properties that  
11 were available for consideration.

12 MS. JOHN-BASTA: For anybody that was  
13 here in 2020 you will probably remember that this  
14 originally was proposed in a small easement area and New  
15 Jersey Natural Gas, in the past five years, has worked to  
16 acquire the 6.8 acres and putting this on --

17 CHAIRMAN MOORE: It is a lot of land for  
18 this little thing in the corner.

19 MS. JOHN-BASTA: Correct. And they  
20 spent a lot of money acquiring it. I think that's the  
21 point.

22 I can go to my summation then. We are  
23 here for a use variance as was stated. This is a company  
24 that has been in business for 74 years. As was stated,  
25 there has never been an explosion incident. We are

1 removing a nonconforming use with another nonconforming use  
2 albeit an inherently beneficial use that has less intensity  
3 that was previously there.

4 We are decreasing the impervious coverage  
5 that is on the site. We are heavily increasing buffers and  
6 landscaping pointing to the conditional use standards for  
7 public utilities. It requires 50 feet from residential  
8 properties. Here the closest residential property line is  
9 175 feet. We are set back 600 feet away from Laurel  
10 Avenue. We are adding a tremendous amount of landscaping  
11 and buffering. There were reports that were submitted to  
12 the board including air quality, permits as well as -- air  
13 quality report as well as noise reports saying that this  
14 will have no impact to health and safety.

15 So for -- and this is a public utility.  
16 Again, inherently beneficial. Everybody needs gas to cook,  
17 to heat their hot water, et cetera. This will be serving  
18 the residents of Hazlet itself.

19 For all of those reasons, and based on the  
20 testimony that was given tonight, we would ask that this  
21 board look favorably upon the application.

22 Thank you.

23 CHAIRMAN MOORE: Thank you. Counsel,  
24 would you like to summarize.

25 MR. SOBIESKI: So the applicant here is

1 seeking -- if I get anything wrong, please stop me.

2 Preliminary and final major site plan  
3 approval is the main thing they requested, as well as D-1  
4 use variance to permit a proposed gas pressure reduction  
5 facility within the R-100 zone where such use is not  
6 otherwise permitted.

7 Four bulk variances I count: One for the  
8 fence location within the front yard setback that is  
9 attributable to the swing gate, I believe. Fences aren't  
10 located in the front yard setback here. They proposed the  
11 4-foot tall gate in the front yard setback.

12 Bulk variance 2: Fence height within the  
13 side and rear yard. They are proposing an 8-foot tall  
14 fence in the side and rear yards on the property where 6  
15 feet is the maximum height permitted.

16 Next is driveway width for a two-way  
17 driveway. They are proposing 20-foot wide driveway where  
18 24 feet is the required minimum width.

19 Signage-affixed fences, which is otherwise  
20 prohibited. They are seeking -- proposing four  
21 16-inch-by-22-inch signs, two of which would be affixed to  
22 the utility enclosure gate and two of which would be  
23 affixed to the swing gate at the end of the driveway. That  
24 is it for bulk variances.

25 Zone waivers: First is for the

1 insufficient provision of conservation easement. I believe  
2 that was identified in Trevor's memo. I believe you  
3 indicated you would be providing one to the extent required  
4 by the NJ DEP, but I think you still need the waiver  
5 potentially to the extent that it might not completely  
6 stick with the ordinance. That was not clear to me, but it  
7 was highlighted in the letter. That's why I brought it up.

8 MS. JOHN-BASTA: Oh, that was for the  
9 sidewalk.

10 MR. SOBIESKI: No.

11 MR. TAYLOR: I think this is -- you will  
12 have buffers due to the wetlands.

13 MS. JOHN-BASTA: Yes, yes. Agreed.

14 MR. TAYLOR: The condition is make sure  
15 the buffers go in.

16 MR. SOBIESKI: Do they need a design  
17 waiver for that?

18 MR. TAYLOR: Yeah, I think we should  
19 give it to them.

20 MR. SOBIESKI: Give it to them meaning  
21 that they need it, or they don't need it?

22 MR. TAYLOR: They need it.

23 CHAIRMAN MOORE: We are approving it --  
24 if it is approved --

25 MR. SOBIESKI: Correct. Understood.



1                   Then I counted four for the sidewalk  
2     issue. There are four separate portions of the ordinance  
3     they would be violating here. Sections 181-517B2, 4, 5,  
4     and 6. They all deal with not providing a publicly use  
5     internal sidewalk or sidewalk connections.

6                   Frankly, some of those ordinance  
7     requirements seem to be redundant, but I think you guys are  
8     seeking all of those anyway.

9                   MS. JOHN-BASTA: We are not looking to  
10    attract people on the inside.

11                  MR. TAYLOR: That would be internal to  
12    site; not the public sidewalk.

13                  MR. SOBIESKI: Correct. But to be  
14    clear, it is B2, 4, 5, 6. Those are what you highlighted.  
15    Just making sure.

16                  The next one would be lack for dedicated  
17    refuse and recycling area. All uses are required --  
18    commercial or nonresidential uses are required to provide  
19    areas use for refuse or recycle disposal collection. They  
20    are not proposing a dedicated area there.

21                  Lack of street frontage lighting, they are  
22    not proposing or not required to provide. Any time there  
23    is a lot or 100 feet you need it.

24                  Decorative electric lamp posts, 10 to 12  
25    feet high spaced to intervals of 40 to 60 feet. Again, you

1 guys are seeking that as well --

2 MS. JOHN-BASTA: Yes.

3 MR. SOBIESKI: I like to be very precise  
4 to get everything summarized here.

5 Lack of street trees behind the curb line.  
6 They are required to be set 15 feet behind the curb line.  
7 They are proposing a few street trees in the area north of  
8 the existing driveway only in accordance with the ordinance  
9 requirements. Also, it is design waiver on that front  
10 related to the planting interval. They are required at 35  
11 feet. I don't think they are meeting that condition.

12 Next is for utility connection locations.  
13 To the extent needed above-ground electric service is  
14 required, otherwise all utilities are required to be  
15 connected by underground connections.

16 Finally, the last design waiver is maximum  
17 sight illumination permitted is 5.0 foot-candles. They are  
18 25.1. Right?

19 MS. JOHN-BASTA: Yes.

20 MR. SOBIESKI: I think that is it as far  
21 as design waivers, variances as far site plan approval  
22 goes.

23 As far as conditions, everything in Mr.  
24 Taylor's memo November 14, 2024, I think it would also  
25 include submitting the soil erosion sediment control

1 district approval and the soil removal permit and  
2 incorporating comments from the fire department regarding  
3 locations, fire hydrants, valves, and spring pipes. I  
4 won't go over the rest. We will be here all night.

5 There are a few other conditions I noted  
6 in the course of the hearing. Bear with me one moment  
7 while I go over my notes.

8 The applicants would seeking to construct  
9 that sidewalk along the frontage of the property. They  
10 would need to make every effort to obtain township approval  
11 to do so in order to also get DEP approval for that.

12 MS. JOHN-BASTA: Yes.

13 MR. SOBIESKI: The applicant will  
14 provide center-line grades, but not cross-sections for the  
15 driveway?

16 MR. TAYLOR: Typical cross-section is  
17 acceptable.

18 MR. SOBIESKI: Applicant will be  
19 providing buffer strip along the frontage so long as  
20 permitted by NJ DEP and coordinating same with the board  
21 engineer. Applicant will be providing a Knox box on the  
22 fence. They will be relocating the hydrant to the circular  
23 grass area subject to approval of the fire official.

24 Two-year maintenance obligation for  
25 replacement of the trees. I think that is already required

1 by ordinance, but also it's mentioned in Mr. Taylor's  
2 letter. All lighting will be DarkSky compliant. Planting  
3 substitutions will be subject to review and approval of the  
4 board engineer.

5 First 40 feet of the driveway will be  
6 paved. Applicant will be merging lots. We talked about  
7 that already. Applicant will be installing utilities below  
8 ground wherever possible. There is also a design waiver to  
9 the extent that might not be possible.

10 Applicant also noted they would install  
11 audible alarms subject to the approval of the township fire  
12 official.

13 MS. JOHN-BASTA: I think you were saying  
14 you would not want audible alarms. Right?

15 MR. HORNER: No, I wanted to know if  
16 there was going to be any.

17 MS. JOHN-BASTA: We are not proposing  
18 any.

19 MR. HORNER: Most places, if a piece of  
20 equipment malfunctions, there is going to be an alarm.

21 MS. JOHN-BASTA: It is internal at New  
22 Jersey Natural Gas headquarters.

23 MR. SOBIESKI: We will strike that. I  
24 wanted to be clear.

25 I think there was one or two more.

1 Applicant installing security cameras subject to review and  
2 approval of the board engineer.

3 MS. JOHN-BASTA: Yes.

4 MR. SOBIESKI: That is it.

5 MR. FOOTE: Subject to the police  
6 department approval.

7 MR. SOBIESKI: Any objection to that?

8 MS. JOHN-BASTA: No objection.

9 CHAIRMAN MOORE: Good point.

10 MR. TAYLOR: Is that for the security  
11 system or just in general?

12 MR. SOBIESKI: I think it was just  
13 cameras.

14 MR. FOOTE: For the cameras  
15 specifically, yeah.

16 MS. JOHN-BASTA: We can work with the  
17 police department and come up with an appropriate security  
18 plan as well.

19 CHAIRMAN MOORE: Did we catch everything  
20 that you had?

21 MR. TAYLOR: Yes.

22 CHAIRMAN MOORE: Did we catch  
23 everything?

24 MR. FOOTE: Yes.

25 CHAIRMAN MOORE: Is the board satisfied

1 with those conditions?

2 So now we are at the point where we will  
3 take a vote.

4 Should we split the two variances or  
5 should we do them together?

6 MR. SOBIESKI: Typically, you vote on  
7 the application as a whole. If you feel they don't need  
8 one or multiple variances, you know --

9 CHAIRMAN MOORE: We have done it both  
10 ways with the D-1 variances. There are times we vote on  
11 D-1 separately. So if the D-1 carries, we do the  
12 C-variance. I think in this case, we carry it together.

13 MS. JOHN-BASTA: I think it makes sense  
14 to have it all subsumed because they are all intertwined.

15 CHAIRMAN MOORE: I am good with that.

16 At this point I am going to ask any board  
17 member if they would like to make a motion to either  
18 approve or not approve with the conditions.

19 MR. SOBIESKI: Approval would be subject  
20 to all the conditions. If there is no approval, there is  
21 no conditions because there is no approval.

22 CHAIRMAN MOORE: Mr. Grossman.

23 MR. GROSSMAN: Yes. Because of the  
24 proximity to the schools, I would like to make a motion to  
25 deny the application.

1 CHAIRMAN MOORE: The first motion is to  
2 deny.

3 Is there a second on that?

4 Mr. Horner.

5 MR. HORNER: I will second that.

6 CHAIRMAN MOORE: Second by Mr. Horner.

7 We will do a roll call vote. Roll call  
8 vote on this particular case is if you are in agreement  
9 with that you will say yes. In this particular case, yes  
10 means no. Meaning, it is not approved.

11 Everybody clear on that? Did I say that  
12 correct?

13 Can I get roll call?

14 BOARD SECRETARY: Mr. Cavanaugh.

15 Mr. Moore.

16 CHAIRMAN MOORE: Yes.

17 BOARD SECRETARY: Mr. Lencsak:

18 MR. LENCSAK: The applicant made a good  
19 argument for it, but because it is not permitted, it is  
20 residential and noise, I have to say yes.

21 BOARD SECRETARY: Ms. Bossert.

22 MS. BOSSERT: I am also yes to deny.

23 BOARD SECRETARY: Mr. Horner.

24 MR. HORNER: Yeah. I am going to say  
25 yes. It doesn't fall in line with our master plan. It is

1 too isolated. Prone to vandalism. Yes.

2 BOARD SECRETARY: Mr. Pereira.

3 Mr. Grossman.

4 MR. GROSSMAN: Yes.

5 BOARD SECRETARY: Mr. Personette.

6 MR. PERSONETTE: So I hate that it is so  
7 close to the school and people's homes and also there is  
8 specific spots that these should be built on and not really  
9 residential. So I am go to yes, but great job, you guys  
10 did good.

11 BOARD SECRETARY: Mr. Martinez.

12 MR. MARTINEZ: Yes.

13 MR. SOBIESKI: The motion to deny the  
14 application is carried.

15 MS. JOHN-BASTA: Disappointing, but  
16 thank you for your time. We appreciate your attention to  
17 the matter, particularly for holding the special meeting.  
18 I know it is a lot to ask of the board.

19 CHAIRMAN MOORE: Thank you very much.  
20 Thank you everybody for coming.

21 (Meeting concluded 10:10 p.m.)

22

23

24

25