



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF)
NEW JERSEY NATURAL GAS COMPANY FOR)
APPROVAL OF A MUNICIPAL FRANCHISE IN)
THE TOWNSHIP OF STAFFORD,)
OCEAN COUNTY)
DECISION AND ORDER
DOCKET NO. GE09080707

Tracey Thayer, Esq., and John B. Wyckoff, Wall, New Jersey, for Petitioner, New Jersey Natural Gas Company

Judith Appel, Esq., Assistant Deputy Public Advocate, on behalf of the Department of the Public Advocate, Division of Rate Counsel, Newark, New Jersey

BY THE BOARD:

New Jersey Natural Gas Company ("NJNG" or "Company"), a regulated utility subject to the jurisdiction of the Board of Public Utilities ("Board"), is a corporation duly organized under the laws of the State of New Jersey engaged in the distribution and transportation of natural gas. NJNG distributes natural gas and provides transportation service to over 487,000 residential, commercial and industrial customers located in Monmouth, Ocean and parts of Middlesex counties in New Jersey.

NJNG is currently providing natural gas service within the Township of Stafford ("Township") in Ocean County, New Jersey to approximately 10,842 customers. The Company's current franchise with the Township expired on December 26, 2009 after a term of fifty (50) years.

On August 18, 2009, the Township Council adopted Resolution #2009-270 renewing NJNG's franchise for an additional period of twenty (20) years from the date of the resolution. A copy of this resolution is attached as Exhibit "A" to this Order. By letter dated August 24, 2009, a copy of which is attached as Exhibit "B" to this Order, NJNG accepted and agreed to the terms and conditions of the franchise pursuant to N.J.S.A. 48:3-16.

On August 26, 2009, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, NJNG filed a petition requesting that the Board approve the consent adopted by the Township. As required by law, and after notice, a hearing in this matter was held on October 29, 2009, at the Board's Newark offices. Appearances were made on behalf of the Company, the Board's Staff and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel").

At hearing, the Company relied on the testimony of John B. Wyckoff, Manager of Engineering. Mr. Wyckoff indicated that he represented NJNG during the negotiations with the Township to renew the consent, and testified as to its provisions. He further testified that the Company continues to have sufficient capacity, staff and expertise to ensure its ability to continue to provide safe, adequate and proper service to its customers located within the Township. He also indicated that customers in the Township would continue to be served by the local business office located in the Township of Stafford. Ms. Thayer added that the Company's bills and bill inserts would continue to advise customers of various other means of paying bills and accessing other information regarding their bills and getting answers to questions concerning the service provided by the Company.

Rate Counsel stated for the record that the Division did not object to Board approval of the petition. No other party participated in the hearing or filed any written submissions with the Board related to this proceeding.

After a full review of record, the Board HEREBY FINDS that the municipal consent is necessary and proper for the public convenience and properly conserves the public interests, and is necessary for NJNG to continue to provide safe, adequate and proper service to its customers located in the Township of Stafford. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, HEREBY APPROVES the consent granted to the Company by the Township of Stafford for the provision of gas utility service in the Township.

The approvals granted herein shall be subject to the following provisions:

- 1 This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by NJNG.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board or of this State in any future petition or in any proceedings with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or in any other matters affecting NJNG.
- 3 The rates for service to NJNG's customers in the Township shall continue to be those set in the Company's current tariff approved by and on file with the Board. These rates shall remain in effect until otherwise approved by the Board.
4. Approval of this municipal consent does not constitute Board approval of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the franchise, including, but not limited to, cost of construction, contributions in aid of construction, depreciation on contributed plant, the cost of connection, or any related

capital improvements, and the allocation of such costs and expenses, shall be made in an appropriate subsequent proceeding.

DATED: 1/21/10

BOARD OF PUBLIC UTILITIES
BY:


ELIZABETH RANDALL
ACTING PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JEANNE M. FOX
COMMISSIONER

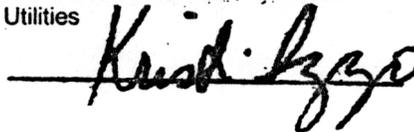

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER

ATTEST:


CARMEN DIAZ
ACTING SECRETARY

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



**I/M/O THE PEITTION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF A
MUNICIPAL FRANCHISE IN THE TOWNSHIP OF STAFFORD, OCEAN COUNTY**

BPU DOCKET NO. GE09080707

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RESOLUTION NO. 2009-270

**RESOLUTION OF THE TOWNSHIP OF STAFFORD,
COUNTY OF OCEAN, STATE OF NEW JERSEY
AUTHORIZING NEW JERSEY NATURAL GAS
COMPANY TO CONTINUE SERVING THE
MUNICIPALITY**

WHEREAS the New Jersey Natural Gas Company obtained the consent of this municipality to exercise its franchise rights by ordinance dated December 26, 1959, to lay and maintain gas mains, pipes and service pipes, in and under the surface of any or all of the roads, streets, avenues, highways and public places, for the purpose of furnishing gas therein; and

WHEREAS said consent is limited to a period of fifty (50) years, and, by the terms thereof, expires on December 26, 2009; and

WHEREAS, New Jersey Natural Gas Company is desirous of obtaining consent of the municipality to continue serving the Municipality;

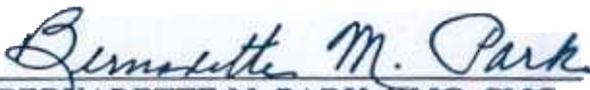
NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Township of Stafford, County of Ocean, State of New Jersey, as follows:

1. That New Jersey Natural Gas Company be and it is hereby authorized to lay, maintain and operate its conductors, mains, and pipes, together with the appurtenances thereto (hereinafter "Facilities"), in all the public streets, alleys, squares and public places in this municipality which are under the control and jurisdiction of the Township for the purpose of conducting gas, or any mixture of gases of various types including natural gas, for the purpose of transmitting and distributing such gas in this municipality for a period of twenty (20) years from the date hereof, upon the following terms and conditions:
 - a. That the New Jersey Natural Gas Company shall agree that, in all cases in which street openings or excavations are made for the purposes aforesaid, the pavement and the surface of the streets, alleys, squares or roadways shall be restored to the same condition as existed prior to the opening thereof. Further, New Jersey Natural Gas Company shall indemnify and save harmless the Township of Stafford from all claims or suits for damages arising from the location, construction, re-construction or maintenance of any facility.
 - b. That the New Jersey Natural Gas Company shall conduct the work or the laying or maintaining of gas pipes therein in a careful and prudent manner.

2. That New Jersey Natural Gas Company shall file with the Clerk of this Municipality, within sixty (60) days from the date hereof, its acceptance of the terms and provisions of the franchise consent herein granted and its agreement to be bound by the terms and provisions thereof.
3. That this resolution shall not become effective until it is approved by the Board of Public Utilities of the State of New Jersey.
4. That a certified copy of this resolution shall be forward to the Chief Financial Officer of Stafford Township and to New Jersey Natural Gas.

CERTIFICATION

I, **BERNADETTE M. PARK**, Municipal Clerk of the Township of Stafford, do hereby certify that the foregoing resolution was duly adopted by the Stafford Township Council at a meeting held on the **18th day of August, 2009**.


BERNADETTE M. PARK, RMC, CMC
Township Clerk



August 24, 2009

Honorable Bernadette M. Park RMC/CMC
Municipal Clerk
Township of Stafford
260 E. Bay Avenue
Manahawkin, NJ 08050

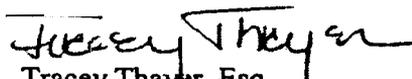
**Re: Request for Approval of Franchise
RESOLUTION NO. 2009-270, Dated August 18, 2009**

Dear Ms. Kennedy,

New Jersey Natural Gas Company ("NJNG") hereby accepts the terms and provisions of the Franchise Consent granted by the Township Council on August 18, 2009 and hereby agrees to be bound by the terms and provisions thereof.

Please be advised that NJNG will present the resolution to the New Jersey Board of Public Utilities (BPU) for approval. We will provide you with a copy of the final Decision and Order upon its issuance from the BPU.

Very truly yours,


Tracey Thayer, Esq.
Director, Regulatory Affairs Counsel

TT:fk