



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)	DECISION AND ORDER
NEW JERSEY NATURAL GAS FOR APPROVAL)	
OF A MUNICIPAL FRANCHISE IN THE)	
TOWNSHIP OF LACEY,)	
OCEAN COUNTY)	DOCKET NO. GE09030190

(SERVICE LIST ATTACHED)

BY THE BOARD:

New Jersey Natural Gas ("NJNG" or "Company"), a regulated utility subject to the jurisdiction of the Board of Public Utilities (the "Board"), is a corporation duly organized under the laws of the State of New Jersey engaged in distribution and transportation of natural gas. NJNG distributes natural gas and provides transportation service to over 476,000 residential, commercial and industrial customers located in Monmouth County, Ocean County and parts of Middlesex County, New Jersey.

NJNG is currently providing natural gas service within the Township of Lacey ("Township") in Ocean County, New Jersey. The Company's current franchise with the Township will expire on June 4, 2009.

On February 11, 2009 the Township passed an ordinance renewing NJNG's franchise for a period of fifty (50) years. A copy of this ordinance is attached as Exhibit "A" to this Order. By letter dated February 23, 2009, NJNG accepted and agreed to the terms and conditions of the franchise pursuant to N.J.S.A. 48:3-16, which acceptance is attached as Exhibit "B" to this Order.

On March 5, 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 give its approval to the consent adopted by the Township. As required by law, and after appropriate and sufficient notice, a hearing in this matter was held on May 13, 2009, at the Board's Newark offices before Carol Artale, Esq., the Board's duly designated Hearing Officer. Appearances were made on behalf of the Company, the Department of the Public Advocate's Division of Rate Counsel ("Rate Counsel") and Board Staff. Rate Counsel did not object to the approval of the relief requested by NJNG. No other party participated in the hearing or filed any written submission with the Board related to this proceeding.

At hearing, the Company relied on the petition and exhibits filed with the Board and presented testimony of its manager of engineering, John Wykoff, as a witness.

After a full review of the entire record, the Board HEREBY FINDS that the municipal consent, which is the subject of this matter, is necessary and proper for the public convenience and properly conserves the public interest and that the Company has the necessary experience, financial capability and facilities as well as the ability to install the appropriate infrastructure to allow it to provide safe, adequate and proper service in the Township. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, HEREBY APPROVES the consent granted to NJNG by the Township for the provision of gas utility service in the Township as sought in NJNG's petition at rates set out in the Company's current tariff which has been approved by and is on file with the Board. Said rates shall remain in effect until otherwise approved by the Board.

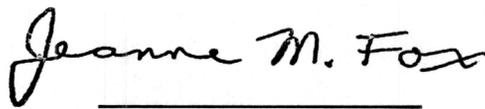
The approvals granted hereinabove shall be subject to the following provisions:

- 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. In an appropriate subsequent proceeding, NJNG shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.

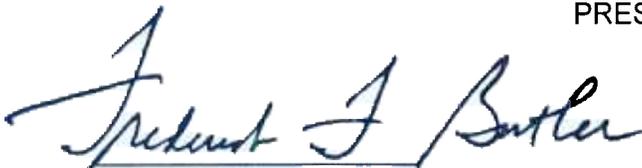
4. Approval of this municipal consent does not constitute Board approval of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the franchise, including, but not limited to, cost of construction, contributions 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: 6/10/09

BOARD OF PUBLIC UTILITIES
BY:



JEANNE M. FOX
PRESIDENT



FREDERICK F. BUTLER
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER



NICHOLAS ASSELTA
COMMISSIONER



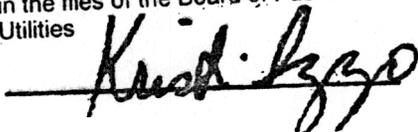
ELIZABETH RANDALL
COMMISSIONER

ATTEST:



KRISTI IZZO
SECRETARY

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



ORDINANCE #2009-02

AN ORDINANCE OF THE TOWNSHIP OF LACEY, COUNTY OF OCEAN, STATE OF NEW JERSEY, GRANTING CONSENT TO RENEW THE FRANCHISE OF NEW JERSEY NATURAL GAS COMPANY FOR THE USE OF TOWNSHIP ROADS

BE IT ORDAINED by the Mayor and Township Committee of the Township of Lacey, County of Ocean, State of New Jersey, as follows:

SECTION 1. Subject to the provisions of applicable Township Ordinances, permission and consent is hereby granted to New Jersey Natural Gas Company to erect, construct, re-construct, remove, inspect, maintain and operate its mains and pipes, together with all appurtenances thereto, in, through, upon, along, over and under all the various public streets, alleys, squares and public places in the Township of Lacey for the purpose of conducting, transmitting and distributing natural gas upon the terms and conditions hereinafter provided.

SECTION 2. All lines, underground conduits, together with all associated equipment, fixtures and appurtenances (hereinafter "Facility" or Facilities"), shall be located, installed and maintained so as not to interfere with any public water, sanitary sewer, storm drainage or other public facilities, fixtures and appurtenances (hereinafter "Public Facility").

A. New Jersey Natural Gas Company further agrees to remove and relocate, at its sole expense, all Facilities hereto fore or hereafter located and installed, that reasonably interfere with construction, re-construction and maintenance of any Public Facility.

B. New Jersey Natural Gas Company shall indemnify and save harmless the Township of Lacey from all claims or suits for damages arising from the location, construction, re-construction or maintenance of any Facility.

SECTION 3. The New Jersey Natural Gas Company shall comply with all Township ordinance, including but not limited to, the provision of Chapter 293, Article I, of the Municipal Code, and any amendment thereto, dealing with streets openings or excavations and shall, except in the case of an emergency, provide to the Township at least ten (10) days prior notice of an streets openings and excavations.

SECTION 4. The surface of the streets, roads, avenues, highways and any pavement flagging taken up soil and/or planting disturbed by New Jersey Natural Gas in construction, re-constructing or maintaining its Facilities shall be restored to as good condition as it was before the commencement of work thereon at no cost to the Township of Lacey. No streets, roads,

avenues and highways shall be encumbered for a longer period than shall be necessary to execute the work. Such restoration shall be subject to the approval of the Mayor and Township Committee after an inspection by its authorized representative upon completion of the work, and submission of duly approved as-built drawings.

SECTION 5. Following adoption and final passage of this Ordinance, and acceptance thereof by New Jersey Natural Gas, the permission and consent granted therein shall continue and be in force for a period of fifty (50) years from the date of its approval by the New Jersey Board of Public Utilities, as required by law. Throughout the full term of this ordinance, New Jersey Natural Gas, its successors and assigns, shall furnish safe, adequate and proper service, at just and reasonable rates, within the Township, and keep and maintain its property and equipment in such condition as will enable it to do so. New Jersey Natural Gas shall, in order to safeguard the public interest, provide continuous and uninterrupted service at, and after, the expiration of the term of this ordinance while seeking further renewal of Township consent.

SECTION 6. Upon passage of this Ordinance, in accordance with the law, the Township Clerk shall provide New Jersey Natural Gas with written notice thereof by Certified Mail. New Jersey Natural Gas shall file with the Township Clerk its written acceptance of said Ordinance within thirty (30) days of receipt of said notice.

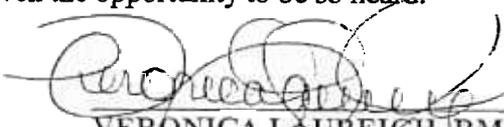
SECTION 7. New Jersey Natural Gas shall, at its sole expense, petition the Board of Public Utilities for approval of this ordinance.

SECTION 8. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

SECTION 9. This ordinance shall not take effect until the Township of Lacey receives notice that it has been approved by the Board of Public Utilities.

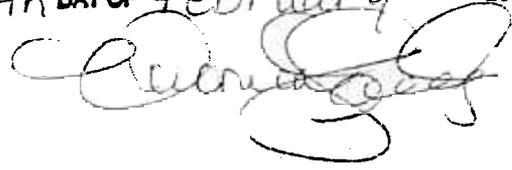
NOTICE

NOTICE IS HEREBY GIVEN that the foregoing ordinance was introduced and passed by the Township Committee on first reading at a meeting of the Township Committee of the Township of Lacey held on the **22nd** day of **January, 2009**, and will be considered for second reading and final passage on the **11th** day of **February, 2009**, at 7:00 p.m., at the Municipal Building at 818 West Lacey Road, Forked River, New Jersey, at which time and place, persons desiring to be heard upon the same will be given the opportunity to be so heard.


VERONICA LAUREIGH, RMC
Municipal Clerk

CERTIFICATION

I HEREBY CERTIFY THAT THE FOREGOING
~~RESOLUTION~~/ORDINANCE TO BE A TRUE COPY
DULY ADOPTED BY THE TOWNSHIP COMMITTEE OF THE
TOWNSHIP OF LACEY AT A MEETING HELD ON THE
11th DAY OF February 20 09



Initial Consent December 27, 1910
Renewal: 1959 (50) years
Renewal: June 4, 2009
Expires: June 4, 2059



February 23, 2009

Honorable Veronica Lauriegh
Municipal Clerk
Township of Lacey
Town Hall
818 West Lacey Road
Forked River, New Jersey 08731

**Re: Request for Approval of Franchise
ORDINANCE #2009-02, Dated February 11, 2009**

Dear Ms. Lauriegh,

New Jersey Natural Gas Company ("NJNG") hereby accepts the terms and provisions of the Franchise Consent granted by the Mayor and Borough Council on February 11, 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,

A handwritten signature in black ink that reads 'Tracey Thayer'.

Tracey Thayer, Esq.
Director, Regulatory Affairs Counsel

TT:fk

In the Matter of the Petition of New Jersey Natural Gas for Approval of a Municipal Franchise in
the Township of Lacey, Ocean County

BPU DOCKET NO. GE09030190

SERVICE LIST

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