



Agenda Date: 3/9/11
Agenda Item: IIA-3

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center, Suite 801
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 BOROUGH OF PINE)
BEACH, OCEAN COUNTY)

ORDER

DOCKET NO. GE10110857

Tracey Thayer, Esq., Wall, New Jersey, on behalf of Petitioner, New Jersey Natural Gas Company

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

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 490,000 residential, commercial and industrial customers located in Monmouth and Ocean counties and parts of Middlesex, Burlington and Morris counties in New Jersey.

NJNG is presently providing natural gas service within the Borough of Pine Beach ("Borough") in Ocean County, New Jersey and its current franchise with the Borough expired on August 8, 2010, after a term of fifty (50) years.¹

On September 8, 2010, the Borough Council adopted Ordinance 10-07-683 renewing NJNG's franchise for a period of ten (10) years. A copy of this Ordinance, including the terms therein, is

¹ The Board would note, as reflected in the record, that municipal consents often expire sometime prior to their renewal even when the Company initiates the renewal process prior to the expiration of the previous term. This is primarily the result of the time necessary for a municipality to fulfill the legal requirements that attend to all formal actions it must take along with the additional time for hearing and Board approval as required by law. The Board would also note that during the lapse of time between the expiration of the subject consent and its renewal, NJNG continued to provide uninterrupted safe and adequate gas service to its customers in the Borough at rates set out in its tariff and previously approved by the Board.

attached as Exhibit "A" to this Order. By letter dated November 15, 2010, a copy of which is attached as Exhibit "B" to this Order, NJNG accepted and agreed to the terms and conditions of the franchise.

On November 19, 2010, 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 Borough. As required by law, and after public notice, a hearing in this matter was held on February 3, 2011, at the Board's Newark offices. Appearances were made on behalf of the Company, the Board's Staff and the Division of Rate Counsel. 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 testimony of John B. Wyckoff, its Manager of Engineering. Mr. Wyckoff 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 approximately 1,000 customers located within the Borough in a manner that preserves the public interests. He stated that customers in the Borough would continue to be served by the Lakewood business office located at 775 Vasser Avenue, Lakewood, New Jersey 08701. He also noted that the Company has another business office in Ocean County located in Manahawkin.

By letter dated February 16, 2011, Rate Counsel indicated that it did not have any objections to the approval of the subject consent.

After a full review of the entire record, the Board HEREBY FINDS that the municipal consent is necessary and proper for the public convenience and properly conserves the public interests and that the Company continues to have the ability to provide safe, adequate and proper service to its customers located in the Borough of Pine Beach. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, HEREBY APPROVES the consent granted to New Jersey Natural Gas Company by the Borough of Pine Beach for the provision of gas utility service in the Borough as sought in NJNG's petition.

The approvals granted hereinabove shall be subject to the following terms and conditions:

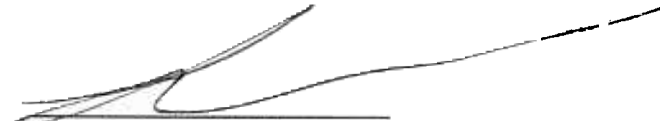
1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by New Jersey Natural Gas Company.
2. This Order shall not effect nor in any way limit the exercise of the authority of this 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 New Jersey Natural Gas Company.
3. In an appropriate subsequent proceeding, New Jersey Natural Gas Company 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. The rates for service to NJNG's customers in the Borough shall continue to be those set out 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.

5. 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.


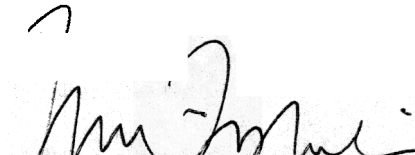

DATED:

3/9/11

BOARD OF PUBLIC UTILITIES
BY:



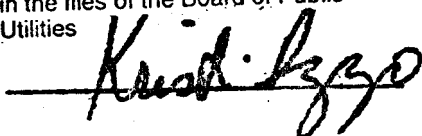
LEE A. SOLOMON
PRESIDENT


JEANNE
COMMISSIONER
JOSEPH L. FIORDALISO
COMMISSIONER
NICHOLAS ASSELTA
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



**I/M/O THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF A
MUNICIPAL FRANCHISE IN THE BOROUGH OF PINE BEACH, OCEAN COUNTY**

BPU DOCKET NO. GE10110857

SERVICE LIST

Tracey Thayer, Esq.
Director, Regulatory Affairs Counsel
New Jersey Natural Gas
1415 Wyckoff Road
P.O. Box 1464
Wall, New Jersey 07719

Jerome May, Director
Ricky John, PhD
Division of Energy
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

Babette Tenzer, DAG
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07101

Judith B. Appel, Esq.
Assistant Deputy Rate Counsel
Division of Rate Counsel
31 Clinton Street
P.O. Box 46005
Newark, New Jersey 07101

ORDINANCE 10-07-683

AN ORDINANCE OF THE BOROUGH OF PINE BEACH, COUNTY OF OCEAN N.J. AUTHORIZING THE BOROUGH TO ENTER INTO A FRANCHISE AGREEMENT WITH THE NEW JERSEY NATURAL GAS COMPANY FOR A PERIOD OF 10 YEARS.

WHEREAS, the New Jersey Natural Gas Company obtained the consent of the Borough of Pine Beach to exercise its franchise rights by ordinance dated August 8, 1960, 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, the consent is limited to a period of fifty (50) years, and, by the terms thereof, expired on August 8, 2010; and

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

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Pine Beach, County of Ocean, state of New Jersey that the New Jersey Natural Gas Company be and is hereby authorized to lay, maintain and operate its conductors, mains and pipes together with the appurtenances thereto, in all the public streets, alleys, squares and public places in this municipality which are under the control and jurisdiction of the Borough of Pine Beach for the purpose of conducting gas, or any mixture of gasses of various types including natural gas, for the purpose of transmitting and distributing such gas in the Borough of Pine Beach for a period of Ten (10) years from the date hereof, upon the following terms and conditions:

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.

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.

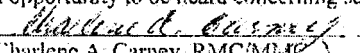
BE IT FURTHER ORDAINED that the New Jersey Natural Gas Company shall file with the Municipal Clerk of the Borough of Pine Beach, within sixty (60) days from the date hereof, its acceptance of the terms and provisions of the franchise consent herein granted and its agreement to be bound by the terms and provisions thereof.

BE IT FURTHER ORDAINED that this ordinance shall not become effective until it is approved by the Board of Public Utilities of the State of New Jersey.

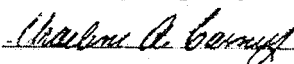
Approved: 
Christopher J. Boyle, Mayor

NOTICE

PUBLIC NOTICE is hereby given that the foregoing ordinance was introduced at a meeting of the Borough Council of the Borough of Pine Beach, in the County of Ocean and State of New Jersey on the 11th day of August 2010 and was then read for the first time. The said ordinance will be further considered for final passage by the Borough Council in the Municipal Building at 7:30 P.M. on September 8, 2010. At such time and place or any time or place to which said meeting may be adjourned, all persons interested will be given an opportunity to be heard concerning said ordinance.


Charlene A. Carney, RMC/MNC
CERTIFICATION

I, Charlene A. Carney, Municipal Clerk of the Borough of Pine Beach, certify the foregoing to be a true and exact copy of Ordinance 10-07-683, introduced on August 11, 2010 and received public hearing and final passage September 8, 2010.





November 15, 2010

Charlene A. Carney, RMC/MMC
Municipal Clerk
Borough of Pine Beach
599 Pennsylvania Avenue
Pine Beach, New Jersey 8741

**Ordinance 10-07-683
Authorizing the Extension of
Franchise Rights to NJNG**

Dear Ms. Carney,

New Jersey Natural Gas Company ("NJNG") hereby accepts the terms and provisions of the Franchise Consent granted by the Borough Council on August 11, 2010 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