

Agenda Date: 7/29/16 Agenda Item: IID

ENERGY

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

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IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF A MUNICIPAL CONSENT IN THE BOROUGH OF LAWNSIDE, CAMDEN COUNTY, NEW JERSEY)))	DECISION AND ORDER DOCKET NO. GE15111254
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Parties of Record:

Stacy M. Barnes, Esq., South Jersey Gas Company Stefanie A. Brand, Esq., New Jersey Division of Rate Counsel

BY THE BOARD:

South Jersey Gas Company ("SJG" 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 business of transmission and distribution of natural gas to approximately 360,000 customers within its service territory.

SJG currently provides natural gas service within the Borough of Lawnside ("Borough") to approximately 478 residential and twenty-four (24) commercial customers. The Company's consent to use the streets within the Borough for the provision of gas service expired on June 1, 2010. 1 pursuant to the fifty (50) year statutory limitation set forth in N.J.S.A. 48:3-15. A copy of the original ordinance is attached to this Order as Exhibit "A". On October 7, 2015 pursuant to Ordinance No. 4-CY2015, the Borough renewed its consent and granted SJG continued permission to lay and construct its pipes, mains, and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of fifty (50) years to furnish gas service in the Borough. By letter dated October 13, 2015, the Company accepted and agreed to the terms of the consent. Copies of the Ordinance and the letter of acceptance are attached to this Order as Exhibits "B" and "C" respectively.

¹ The Board notes that municipal consents often expire some time prior to their renewal even when the Company initiates the renewal process prior to the expiration of the previous term. This is primarily the result of the time necessary for a municipality to fulfill the legal requirements that attend to all formal actions it must take along with the additional time for hearing and Board approval as required by law. The Board has been assured that pending review of its petition, SJG has continued to provide service to its customers within the Borough in an uninterrupted manner.

On October 21, 2015, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, SJG filed a petition requesting that the Board approve the consent adopted by the Borough. As required by law and after notice, a hearing in this matter was held on February 17, 2016. William Agee, Esq., the Board's duly appointed hearing officer, presided over the hearing. Appearances were made on behalf of the Company, the Division of Rate Counsel ("Rate Counsel") and Board Staff. No other party participated in the hearing or filed any written submission with the Board related to this proceeding.

At the hearing, the Company relied on its petition and exhibits filed with the Board and presented the testimony of Joseph Schneider, its General Manager of System Engineering and Planning. According to the petition, SJG anticipates growth in its defined service territory to be approximately one (1) percent annually for the next three (3) to five (5) years. Mr. Schneider testified that the Company has the capacity to meet the existing and future needs of customers within the municipality.

Rate Counsel, in its written comments to the petition dated March 15, 2016, indicated that it does not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty (50) years. However, Rate Counsel requests that approval of the petition include certain restrictions which are incorporated in this Order.

Following its receipt of Rate Counsel's comments, SJG filed correspondence with the Board on March 17, 2016 indicating that it had no additional comments.

After a full review of the entire record, the Board <u>HEREBY FINDS</u> that the municipal consent for use of the streets, which is the subject of this matter, is necessary and proper for the public convenience and properly serves the public interest, and that SJG has the ability to continue to provide safe, adequate and proper service. The Board <u>FURTHER FINDS</u> that the Company has the necessary experience, financial capability, capacity, and facilities in the Borough to continue to provide adequate and appropriate service to its existing customers, as well as expected future customers, and that the fifty (50) year duration of the municipal consent to use the streets is consistent with <u>N.J.S.A.</u> 48:3-15. Accordingly, the Board, pursuant to <u>N.J.S.A.</u> 48:2-14, <u>HEREBY APPROVES</u> the consent granted to SJG by the Borough to continue to provide gas service, and for the continued use of its public streets for that purpose for a period of fifty (50) years.

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

- 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 SJG.
- This Order shall not effect nor in any way limit the exercise of the authority of this Board of the State in any future petition or in any proceedings with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or in any other matters affecting SJG.

This Order shall be effective as of August 8, 2016.

DATED: 7/29/16

BOARD OF PUBLIC UTILITIES BY:

RICHARD S. MRØZ

PRESIDENT

JOSERH E. FIORDALISO

COMMISSIONER

MARY ANNA HOLDEN

UPENDRA J. CHIVUKULA

COMMISSIONER

DIANNE SOLOMON COMMISSIONER

ATTEST:

IRENE KIM ASBURY SECRETARY

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

BPU DOCKET NO. GE15111254

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF A MUNICIPAL CONSENT IN THE BOROUGH OF LAWNSIDE, CAMDEN COUNTY, NEW JERSEY - DOCKET NO. GE15111254

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Borough of Lawnside:

Clerk, Board of Chosen Freeholders 520 Market Street, 12th Floor Camden, NJ 08102

Sylvia A. Vason, Municipal Clerk Borough of Lawnside 4 E. Douglas Avenue Lawnside, NJ 08045

Exhibit A

ORDINANCE GIVING AND GRANTING CONSENT AND PERMISSION TO SOUTH JERSI COMPANY TO FURNISH GAS FOR LIGHT, HEAT AND POWER IN THE BOROUGH OF STATE OF NEW JERSEY.

BE IT ORDAINED by the Mayor and Council of the Borough of Lawnside in the County of Camden:

- 1. That consent and permission to furnish gas for light, heat and power in the Borough of Lawnside in the County of Camden is nereby given and granted to South Jersey Gas Company, subject to approval of such consent and permission by the Board of Public Utility Commissioners of the State of New Jersey.
- 2. The said South Jersey Gas Company shall lay and construct its pipes and mains within the Borough in the manner required by N.J., 48:9-21 and subject to reasonable regulations with respect to the opening of streets and public places imposed by any ordinance with respect thereto.
- 3. South Jersey Gas Company shall within thirty (30) days after the passage of this Ordinance file with the Borough Clerk a bond in the amount of One Thousand Dollars (\$1,000) conditioned for the restoration of any a treet or public place which may be opened by it in a manner satisfactory to the Borough Council.
- 4. This Ordinance shall take effect immediately upon publication as required by law.

Exhibit B

ORDINANCE NO. 4-CY2015 AN ORDINANCE GRANTING RENEWED CONSENT AND PERMISSION TO SOUTH JERSEY GAS COMPANY TO USE THE PUBLIC STREETS TO FURNISH GAS FOR LIGHT, HEAT AND POWER IN THE BOROUGH OF LAWNSIDE

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, provides natural gas service to the Borough of Lawnside pursuant to the municipal consent first granted to South Jersey Gas Company in that certain Ordinance No. 62, passed on June 1, 1960; and

WHEREAS, South Jersey Gas Company now seeks, pursuant to N.J.S.A. 48:3-15, the consent of the Borough of Lawnside to renew Section No. 2 of Ordinance No. 62 applicable to the use of the streets in the Borough of Lawnside by adopting the following Ordinance;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Borough Council of the Borough of Lawnside, County of Camden and State of New Jersey as follows:

Section 1. That exclusive consent and permission is hereby renewed and granted to South Jersey Gas Company to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough of Lawnside in the manner prescribed by N.J.S.A. 48:9-21, and subject to reasonable regulations imposed by ordinance or resolution with respect to the opening of streets and public places, subject to approval of such consent and permission by the Board of Public Utilities.

Section 2. This consent is granted for the entire geographical area of the Borough of Lawnside and extends to the boundaries of the Borough of Lawnside and shall remain in effect for a period of fifty (50) years from the date of final adoption of this Ordinance.

Section 3. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by any Court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.

Section 4. This Ordinance shall take effect immediately upon posting, publication, final passage in the manner prescribed by law, and acceptance by South Jersey Gas Company.

FIRST READING: September 2, 2015

SECOND READING: October 7, 2015

SYLVIA A. VASON

BOROUGH CLERK

ADOPTED:

MARYANN WARDLOW

MAYOR

Exhibit C



Stacey M. Barnes, Esq.
Director, Legal Compliance
Office of General Counsel and Corporate Secretary

October 13, 2015

(Via Certified Mail & E-mail: boroclerk@lawnside.net)
Sylvia A. Vason, Municipal Clerk
Borough of Lawnside
4 E. Douglas Avenue
Lawnside, NJ 08045

Re: Acceptance of Ordinance No. 4-CY2015 Granting Municipal Consent to South Jersey

Gas Company to Use the Streets for the Provision of Natural Gas Service

Dear Ms. Vason:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 4-CY2015 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the Borough of Lawnside. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 4-CY2015, as passed.

Please do not hesitate to call if you have any questions. Thank you.

Very truly yours,

Stacey M. Barnes, Esq. Director, Legal Compliance sbarnes@sjindustries.com

SMB/lnjm

Enclosure

cc: John Stanziola, Director, Regulatory Affairs Abbey Greenberg, Public Affairs Specialist

