



Agenda Date: 10/3/07
Agenda Item: 6A

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

RELIABILITY AND SECURITY

IN THE MATTER OF THE PETITION OF SOUTH)	DECISION AND ORDER
JERSEY GAS COMPANY FOR AUTHORIZATION)	
TO INCREASE THE OPERATING PRESSURE ON THE)	
24-INCH NEW SENTURY PIPELINE FROM 350 PSIG TO)	
700 PSIG)	DOCKET NO. GO06120886

(SERVICE LIST ATTACHED)

BY THE BOARD:

On July 12, 2000, South Jersey Gas Company ("Petitioner" or "SJG") filed a petition with the Board of Public Utilities ("Board"), pursuant to N.J.A.C. 14:7-1.4 and designated as Docket No. GE00070489, seeking authorization from the Board to increase the operating pressure on its 24-inch New Sentury Pipeline ("Pipeline") from 250 pounds per square inch gauge ("psig") to 350 psig. The subject rule provides that Board approval is required prior to the construction or operation of a natural gas pipeline above 250 psig that is located within 100 feet of any building intended for human occupancy.

The 18.8 mile Pipeline, which was constructed in 1998 and designed, constructed and tested for a maximum allowable operating pressure (MAOP) of 700 psig, is located in Gloucester County and provides gas to the interior of Petitioner's service territory. The Pipeline runs through the municipalities of Woolwich Township, South Harrison Township, Elk Township and Franklin Township. The request to increase pressure above 250 psig, at that time, was to allow SJG to increase deliverability to its service territory in anticipation of increased demand for natural gas and to avoid any potential interruptions in gas service during the heating season.

After public hearing on notice to all residents owning or occupying structures within 100 feet of the Pipeline, as well as to the Clerks of the affected municipalities and Gloucester County, and after SJG had adequately demonstrated the integrity of the pipeline and the need for increased pressure, the Board, by Order dated January 9, 2001, approved the Petitioner's request to increase the operating pressure of the Pipeline to 350 psig.

In its pending petition filed on December 22, 2006, SJG requests that the Board modify its January 9, 2001 Order in Docket No. GE00070489, and authorize an increase in the MAOP of the Pipeline from 350 psig to 700 psig. The proposed increase in operating pressure, which was noticed to affected public officials, is, again, to increase the Pipeline's delivery capacity in order that the Petitioner can continue to serve the existing customers in its service territory and provide service to new customers. In addition, SJG notes that the relief requested will allow the New Sentury Pipeline and the interconnected Repaupo to Woolwich Pipeline, which was approved by the Board for operation at 700 psig by Order dated June 22, 2005, in Docket No. GO05020166, to both operate at an MOAP of 700 psig as a transmission line as defined in 49 C.F.R. § 193.3 and N.J.A.C. 14:7-1.1A.

On August 7, 2007, a public hearing in this matter was held in the Elk Township Municipal Building located at 667 Whig Lane Road, Monroeville, New Jersey. Notice of this hearing was published in the Gloucester County Times as well as mailed to the Division of Rate Counsel, the Division of Law, the Clerks of the affected municipalities, the Gloucester County Administrator, the Clerk of the Gloucester County Board of Chosen Freeholders and all property owners with structures located within at least 100 feet of the Pipeline.

At the public hearing, a presentation on behalf of SJG was made by Charles F. Dippo, P.E., the Petitioner's Vice-President of Engineering Services and System Integrity. Mr. Dippo, who is a licensed professional engineer in the State of New Jersey, indicated that the Pipeline constitutes a major supply line for Petitioner in that it transports natural gas from the western part of the SJG service territory where there are interconnections with the Transcontinental Gas Pipeline Corporation, an interstate transmission company, and allows for its eventual distribution throughout the entire service territory. He stated that the requested increase in pressure will result in an increase in the capacity of the SJG system and assist the Petitioner in its ability to supply customers in the eastern and/or southerly portions of its service territory. In addition, Mr. Dippo spoke at length about the design, construction, protection, and testing of the Pipeline and stated that in all respects, the Pipeline either met or, in most instances, exceeded all applicable Federal and State requirements.

Mr. Dippo further stated that, as a supplement to the mailing of notices of the hearing as described above, SJG had additional contact with the mayors of the affected municipalities as well as with the municipal clerks and administrators through which these officials were provided with a summary that contained information as to when the Pipeline was constructed, its operating pressure, the results of the in-line inspection of the Pipeline and the purpose of SJG's petition to the Board. He stated that while the Petitioner had also offered to meet with these officials to discuss the Pipeline, no request for such a meeting was received.

Two members of the public appeared at the hearing for the purpose of making comments for the record. The first speaker expressed some concerns related to the increasing of pressure in general, and the second speaker asked several questions related to the Pipeline that pertained to the need for the increase in pressure as well as the maintenance, protection and inspection of the Pipeline that were directly addressed by Mr. Dippo.

Staff of the Bureau of Pipeline Safety of the Board's Division of Reliability and Security has reviewed Petitioner's proposal and has determined that the increase in operating pressure is necessary to meet the future demand of SJG's heating customers. Staff has informed the Board that the design, construction and testing of the Pipeline meet or exceed the standards set forth in 49 C.F.R. Part 192 and N.J.A.C. 14:7. Staff went on to state that the increase in pressure will occur in not less than four equal increments. Each increment will be conformed in the field as the pressure is increased and the Pipeline will be leak surveyed along its entire length prior to the first pressure increase and subsequent to each subsequent increase in

pressure. After a review of the specifications and maintenance records of the Pipeline along with the in-line inspection findings, Staff opined that the Pipeline meets or exceeds State and Federal pipeline safety codes and rules and has been properly maintained.


Accordingly, after setting forth its opinion that the proposed increase in pressure is necessary to meet SJG's capacity requirements and should not adversely impact the safe operation of the Pipeline, Staff recommended that the increase in operating pressure of the New Sentury Pipeline from 350 psig to 700 psig be approved as proposed. Staff further noted that as this filing does not involve the construction of an "extension" as that term is defined in N.J.A.C. 14:3-8.2, the Board's smart growth rules do not apply to this Order, but will apply at such time as extensions of service are made.

By a September 10, 2007 filing of comments with the Board, Rate Counsel stated that based on its review of the Petition, discussions with Staff and Petitioner, and information gathered from the public hearing, "Rate Counsel does not object to the granting of the Petition."

After consideration of all pertinent material submitted in this matter, the Board HEREBY FINDS that Petitioner's request to increase the operating pressure of its 24-inch New Sentury Pipeline to 700 psig is reasonable and is in compliance with all relevant Federal and State requirements. Therefore, pursuant to the provisions of N.J.A.C. 14:7-1.4, the Board HEREBY APPROVES the request of South Jersey Gas Company to increase the operating pressure of its 24-inch New Sentury Pipeline from 350 psig to 700 psig. The Board's prior Order in Docket No. GE00070489 dated January 9, 2001 is to be considered to be modified accordingly.

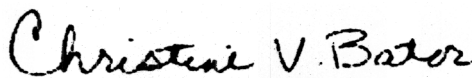
DATED: 10/3/07

BOARD OF PUBLIC UTILITIES
BY:



JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

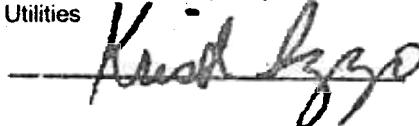

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
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 South Jersey Gas Company for Authorization to Increase the
Operating Pressure on the 24-Inch New Sentury Pipeline from 350 PSIG to 700 PSIG**

BPU Docket No. GO06120886

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