



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 TOWNSHIP OF)
BERKELEY, OCEAN COUNTY) DOCKET NO. GE11010023

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 Township of Berkeley ("Township") in Ocean County, New Jersey and its current franchise with the Township expired on March 10, 2010.¹

On December 31, 2010, the Township Council adopted Ordinance #10-37-OA renewing NJNG's franchise for a period of ten (10) years. A copy of this Ordinance, including the terms therein, is attached as Exhibit "A" to this Order. By letter dated January 18, 2011, a copy of which is attached as Exhibit "B" to this Order, NJNG accepted and agreed to the terms and conditions of the franchise.

¹The 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, adequate and proper gas service to its customers in the Township at rates set out in its tariff and previously approved by the Board.

On January 20, 2011, 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 March 21, 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 ("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 8,600 customers located within the Township in a manner that preserves the public interests. He stated that the customers in the Township 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 April 12, 2011, Rate Counsel stated that it did not oppose the relief requested by NJNG in its petition.

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 Township of Berkeley. 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 Township of Berkeley for the continued provision of gas utility service in the Township as sought in NJNG's petition.

The approval 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 Township 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: 4/27/11

BOARD OF PUBLIC UTILITIES
BY:



LEE A. SOLOMON
PRESIDENT



JEANNE M. FOX
COMMISSIONER



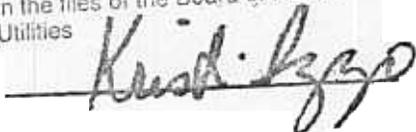
JOSEPH L. FIORDALISO
COMMISSIONER



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 TOWNSHIP OF BERKELEY, OCEAN COUNTY**

BPU DOCKET NO. GE11010023

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