



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue**  
**Trenton, NJ 08625-0350**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

RELIABILITY AND SECURITY

IN THE MATTER OF THE PETITION OF SOUTH ) ORDER  
JERSEY GAS COMPANY FOR AUTHORIZATION TO )  
INCREASE THE OPERATING PRESSURE ON THE )  
20" UNION ROAD-ROUTE 50 PIPELINE )  
FROM 350 PSIG TO 437 PSIG ) DOCKET NO. GO11070443

IN THE MATTER OF THE PETITION OF SOUTH JERSEY )  
GAS COMPANY FOR AUTHORIZATION TO INCREASE )  
THE OPERATING PRESSURE ON THE 20" ROUTE 50 )  
PIPELINE IN THE CITY OF ESTELL MANOR, )  
ATLANTIC COUNTY FROM 350 PSIG TO 437 PSIG ) DOCKET NO. GO11080509

IN THE MATTER OF THE PETITION OF SOUTH JERSEY )  
GAS COMPANY FOR AUTHORIZATION TO INCREASE )  
THE OPERATING PRESSURE ON THE 24" PIPELINE )  
BETWEEN THE CITY OF ESTELL MANOR AND )  
HAMILTON TOWNSHIP IN ATLANTIC COUNTY, )  
NEW JERSEY FROM 350 PSIG TO 437 PSIG ) DOCKET NO. GO11080471

(SERVICE LIST ATTACHED)

BY THE BOARD:

On July 27, 2011 and August 5, 2011, South Jersey Gas Company ("Petitioner" or "SJG") filed three petitions with the Board of Public Utilities ("Board"), pursuant to N.J.A.C. 14:7-1.4A seeking authorization from the Board to increase the operating pressure of three

interconnected natural gas transmission pipelines, totaling 20.6 miles in length, from 350 pounds per square inch gauge ("psig") to 437 psig. The pipelines are the 20" Union Road – Route 50 Pipeline ("Pipeline A") in Atlantic and Cumberland Counties, the 20" Route 50 Pipeline ("Pipeline B") in the City of Estell Manor, Atlantic County, and the 24" Pipeline ("Pipeline C") between the City of Estell Manor and Hamilton Township in Atlantic County.

The request to increase the operating pressure of the three pipelines from 350 psig to 437 psig is necessary to ensure sufficient natural gas delivery pressure and flow to the Atlantic and Cape May County areas of its service franchise territory, as well as possible future expansion. 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.

Pipeline A which was constructed in November 1987 is located in Cumberland and Atlantic Counties and supplies two existing natural gas pipelines. Although designed, constructed and certified by pressure testing for a maximum allowable operating pressure ("MAOP") of 437 psig, SJG elected to restrict the operating pressure of Pipeline A to 350 psig. The pipeline runs 10.26 miles through the municipalities of Vineland, Buena Vista, Hamilton, Weymouth, and Estell Manor. The existing pipeline alignment includes 2 structures, both residential, intended for human occupancy within 100 feet of the pipeline. The closest building is a residential structure that is 72 feet from the existing 20-inch pipeline.

Pipeline B was constructed in September 2005 and designed, constructed and certified by testing for an MAOP of 630 psig, is located in Atlantic County and supplies Cape May and southern Atlantic County distribution systems. The pipeline runs 3.8 miles entirely within the municipality of Estell Manor. The pipeline has operated at a maximum pressure of 350 psig since its construction. The existing pipeline alignment includes 14 residential structures intended for human occupancy within 100 feet of the pipeline. The closest buildings are 15 feet and 36 feet from the existing 20-inch pipeline.

Pipeline C was constructed in January 2006 and designed, constructed and certified by testing for an MAOP of 676 psig, is located in Atlantic County and supplies the Atlantic County distribution system. The pipeline runs 6.5 miles through the municipalities of Estell Manor, Weymouth, Hamilton, and Egg Harbor. The existing pipeline alignment includes 25 structures, 1 commercial and 24 residential, intended for human occupancy within 100 feet of the pipeline. The closest buildings are residential structures that are 20 feet and 44 feet from the existing 24-inch pipeline.

A public hearing was held on November 29, 2011 in the Weymouth Township Municipal Building located at 42 South Jersey Avenue, Weymouth, New Jersey, affording members of the public an opportunity to place a statement on the record regarding this Petition. Michael Borgatti, a legal specialist on Board Staff, served as the duly-designated Hearing Examiner. Edward Lihan, Administrative Analyst, Bureau of Pipeline Safety, appeared on behalf of the Staff of the Board, Sarah Steindel appeared on behalf of Rate Counsel, and Daniel Bitonti, Esq. of Cozen O'Connor, PC. appeared on behalf of Petitioner. Mr. Bitonti introduced several exhibits, including the petitions and affidavits of notice to the affected property owners and municipalities as well as newspaper publication, which were accepted and made part of the record. Christian Castronova appeared on behalf of SJG and described the

proposal to increase the operating pressure in the Company's aforementioned pipelines from 350 psig to 437 psig.

Two members of the public appeared at the hearing and commented about apparent localized roadway settlement creating hazardous water and ice conditions on the roadway near their residences. Mr. Castronova stated that SJG would investigate the described locations along the pipeline and remedy the roadway settlement. There was no opposition to the Petitions from the members of the public or from any municipal or county official. No additional parties have sought to intervene in this matter or otherwise submitted opposition to the Petitions.

Board Staff reviewed Petitioner's proposal and determined that the pressure increase to 437 psig will ensure sufficient natural gas supply to the Atlantic and Cape May county areas of its service franchise territory and will provide additional capacity for future expansions. Based upon its review of the design, construction, maintenance, and pressure test records associated with these Pipelines, Staff opined that Pipeline A, Pipeline B, and Pipeline C meet or exceed State and Federal pipeline safety regulations. Rate Counsel submitted a letter dated December 1, 2011 indicating that it does not object to the granting of the Petitions, however, Rate Counsel believes that SJG should be required to address the roadway settlement identified at the public hearing. As noted above, SJG previously agreed to resolve the identified roadway settlement issue.

Additionally, SJG performed in-line, "smart-pig", inspections of the entirety of Pipeline A, Pipeline B, and Pipeline C on April 26, 2010, April 28, 2010, and April 27, 2010, respectively. The findings of the inspections revealed that there were no significant anomaly indications detected. None of the anomalies detected met the immediate repair or pressure reduction criteria and none were within a High Consequence Area as defined in 49 C.F.R. 192.905. The external anomaly indications were investigated by the Company and have been mitigated and/or repaired. Four (4) reinforcing composite sleeves were installed as a result of the investigations. Visual and ultrasonic inspections also completed at the excavation sites concluded that the anomaly indications would not be detrimental to the pipeline.

After consideration of all pertinent materials submitted in this matter, the Board HEREBY FINDS that Petitioner's requests to increase the operating pressure of its 20" Union Road – Route 50 Pipeline in Atlantic and Cumberland Counties, 20" Route 50 Pipeline in the City of Estell Manor in Atlantic County, and 24" Pipeline between the City of Estell Manor and Hamilton Township in Atlantic County, New Jersey from 350 psig to 437 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 20" Union Road – Route 50 Pipeline in Atlantic and Cumberland Counties, 20" Route 50 Pipeline in the City of Estell Manor in Atlantic County, and 24" Pipeline between the City of Estell Manor and Hamilton Township in Atlantic County, New Jersey from 350 psig to 437 psig, subject to the following:

- 1 That the 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 South Jersey Gas Company; and

2. That the Order shall not affect nor in any way limit the exercise of the authority of the Board or 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 South Jersey Gas Company.

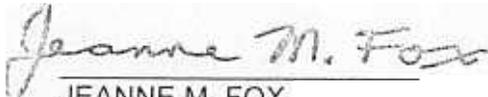
This Order shall be Effective on December 24, 2011

DATED: 12/15/11

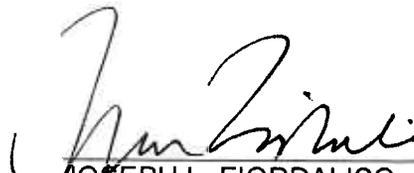
BOARD OF PUBLIC UTILITIES  
BY:



LEE A. SOLOMON  
PRESIDENT



JEANNE M. FOX  
COMMISSIONER



JOSEPH L. FIORDALISO  
COMMISSIONER



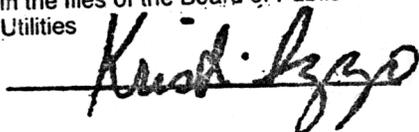
NICHOLAS ASSELTA  
COMMISSIONER

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



IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR  
AUTHORIZATION TO INCREASE THE OPERATING PRESSURE ON THE 20" UNION  
ROAD-ROUTE 50 PIPELINE FROM 350 PSIG TO 437 PSIG

DOCKET NO. GO11070443

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR  
AUTHORIZATION TO INCREASE THE OPERATING PRESSURE ON THE 20" ROUTE 50  
PIPELINE IN THE CITY OF ESTELL MANOR, ATLANTIC COUNTY FROM 350 PSIG TO  
437 PSIG

DOCKET NO. GO11080509

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR  
AUTHORIZATION TO INCREASE THE OPERATING PRESSURE ON THE 24" PIPELINE  
BETWEEN THE CITY OF ESTELL MANOR AND HAMILTON TOWNSHIP IN ATLANTIC  
COUNTY, NEW JERSEY FROM 350 PSIG TO 437 PSIG

DOCKET NO. GO11080471

### SERVICE LIST

Daniel J. Bitonti, Esq.  
Cozen O'Conner, PC  
457 Haddonfield Road, Suite 300  
Cherry Hill, New Jersey 08002

Charles Dippo, Vice President  
South Jersey Gas Company  
One South Jersey Plaza  
Route 54  
Folsom, NJ 08037

James Giuliano, Director  
Division of Reliability and Security  
Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Trenton, New Jersey 08625

Michael Stonack, Bureau Chief  
Bureau of Pipeline Safety  
Division of Reliability and Security  
Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Trenton, New Jersey 08625

Michael Borgatti  
Legal Specialist  
Counsel's Office  
Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Trenton, New Jersey 08625

Geoffrey Gersten, Esq., DAG  
Division of Law and Public Safety  
124 Halsey Street, 5th Floor  
P.O. Box 45029  
Newark, New Jersey 07101

Stefanie A. Brand, Esq., Director  
Sarah Steindel, Esq.  
Division of Rate Counsel  
31 Clinton Street  
P.O. Box 46005  
Newark, New Jersey 07101