Agenda Date: 10/23/12 Agenda Item: IIA-2

ENERGY



STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF A MUNICIPAL CONSENT IN THE BOROUGH OF WENONAH, COUNTY OF GLOUCESTER, NEW JERSEY)	DECISION AND ORDER DOCKET NO. GE11100727

Parties of Record:

Stacy A. Mitchell, Esq., on behalf of Petitioner, South Jersey Gas Company Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD1:

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 350,000 customers within its service territory.

SJG currently provides natural gas service within the Borough of Wenonah ("Borough") to approximately 959 residential and 29 commercial customers. The Company's most recent consent from the Borough expired on February 9, 2001.² On September 22, 2011, the Borough renewed its consent by adopting Ordinance No. 9-2011 which gave SJG consent and permission to furnish gas service and to lay and construct its facilities within the public rights-of way for a term not to exceed fifty (50) years. By letter dated September 30, 2011, 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 "A" and "B", respectively.

On October 25, 2011, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, SJG filed a petition requesting that this Board give its approval to the consent adopted by the Borough. As required by law, and after submission of responses to Staff discovery requests and after notice, a

1 Commissioner Mary-Anna Holden did not participate.

² Notwithstanding the expiration of the consent, SJG has continued to provide service to its customers within the Borough in an uninterrupted manner.

hearing in this matter was held on January 25, 2012, before Edward D. Beslow, Esq., the Board's duly appointed Hearing Examiner. 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 Charles F. Dippo, its Vice-President of Engineering Services and System Integrity. Mr. Dippo testified that the Company has provided continuous service to the Borough and retains the financial, facility base, operational expertise and capacity to maintain safe, adequate and proper service in the Borough which he believes will experience a one percent annual growth in the number of customers served.

By letter dated March 7, 2012, Rate Counsel stated that it had no objection to the granting of the relief requested by SJG and recommended that the Board include in its Order the terms and conditions that have been traditionally been made part thereof.

After a full review of the entire record, the Board <u>HEREBY FINDS</u> that the municipal consent, which is the subject of this matter, is necessary and proper for the public convenience and properly conserves the public interest, and that SJG has existing infrastructure to allow it 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 safe, adequate and appropriate service to its existing customers. 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 of Wenonah for the provision of gas service in the Borough as sought in the Company's petition.

The approvals 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.
- 3. The rates for service to SJG's customers in the Borough shall continue to be those set 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.
- In an appropriate subsequent proceeding, SJG shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.
- 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: 10/24/12

BOARD OF PUBLIC UTILITIES BY:

ROBERT M. HANNA

PRESIDENT

JEANNE M. FOX

COMMISSIONER

JOSEPH L. FIORDALISO COMMISSIONER

NICHOLAS ASSELTA COMMISSIONER

ATTEST:

SECRETARY

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

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF A MUNICIPAL CONSENT IN THE BOROUGH OF WENONAH, COUNTY OF GLOUCESTER, NEW JERSEY DOCKET NO. GE11100727

SERVICE LIST

Stacy A. Mitchell, Esq. Cozen O'Connor 457 Haddonfield Road, Suite 300 P.O. Box 5459 Cherry Hill, New Jersey 08002

Jerome May, Director Ricky John, PhD Division of Energy Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350

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

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

EXHIBIT A

ORDINANCE 9 - 2011 ORDINANCE GRANTING CONSENT TO THE SOUTH JERSEY GAS COMPANY, CORPORATION OF THE STATE OF NEW JERSEY, TO FURNISH GAS FOR LIGHT, HEAT AND POWER IN THE BOROUGH OF WENONAH IN THE COUNTY OF GLOUCESTER AND STATE OF NEW JERSEY

WHEREAS, pursuant to N.J.S.A. 40A:3-15 and N.J.S.A. 40A:9-17, et seq, every gas company organized under Title 14 is entitled, as a matter of law, to install facilities for the transmission and use of gas through streets, alleys, squares and public places in any municipality after having first obtained the consent by Resolution or Ordinance of the governing body therein and subject to reasonable regulations with respect to the opening, repair and replacement of streets and other rights-of-way; and

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, has petitioned the Borough for its consent and permission to lay and construct its pipes, mains, appurtenances and facilities within certain public places within the Borough of Wenonah pursuant to N.J.S.A. 40A:9-22 and the Borough Conneil hereby determines that the grant of such consent is consistent with the public health, safety and welfare;

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Wenonah that South Jersey Gas Company, a New Jersey corporation, is hereby given and granted consent and permission to furnish gas for light, heat and power in the Borough of Wenonah, County of Gloucester and State of New Jersey for a period not to exceed 50 years from the effective date hereof and is further granted consent and permission to lay and construct its pipes, mains, facilities and related appurtenances within the public streets, squares and alleys within the Borough of Wenonah in the manner required by N.J.S.A. 40A:9-21 and subject to regulations imposed by the Borough by Ordinance or Resolution and such amendments or revisions thereto as may from time to time occur;

BETT FURTHER ORDAINED, that the said South Jersey Gas Company shall, within thirty (30) days after the effective date of this Ordinance, file with the Borough Clerk a bond in the amount of One Thousand (\$1,000.00) Dollars conditioned upon the restoration of any street or public place which may be opened by it in a manner satisfactory to the public works director or as otherwise required by the applicable Ordinances, Resolutions and regulations of the Borough of Wenonah;

BE IT FURTHER ORDAINED that all other Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency and all Ordinances or parts of Ordinances not inconsistent with this Ordinance be and are hereby saved from repeal.

BOROUGH OF WENONAH

BY-

THOMAS A. LOMBARDO, MAYOR

Karen J. Sweeney, Borough Clerk

NOTICE

The foregoing Ordinance was introduced at a Regular Meeting of the Mayor and Borough Council of the Borough of Wenonah conducted on the 25th day of August and will be considered for final hearing and adoption at a meeting to be held on the 22nd day of September, 7:30 P.M., at which time any objections heroto may be heard.

KAREN L. SWEENEY, BOROUGH CLERK

EXHIBIT B



Steven R. Cocchi, Esq.
Office of Corporate Counsel and Secretary
Director, Legal Affaire

September 30, 2011

Karen L. Sweeney, Borough Clerk Borough of Wenonah P.O. Box 66 Wenonah, New Jersey 08090

Re: South Jersey Gas Company

Acceptance of Ordinance No. 9-2011 Granting Municipal Consent to Provide Gas

Dear Ms. Sweeney:

1 am writing on behalf of South Jersey Gas Company ("SJG") to advise that on September 29, 2011, 1 received a certified copy of Ordinance No. 9-2011 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the Borough of Wenonah. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 9-2011 as passed. I will notify you when SJG has received approval of Ordinance 9-2011 from the New Jersey Board of Public Utilities.

Should you have any questions, please feel free to contact me at 609-561-9000 x. 4205. Thank you for your kind courtesies and cooperation.

Very truly yours,

Steven R. Coccht, Esq. 'Director, Legal Affairs scocchi@sjindustries.com

Encl.

ce:

Deb Spinella, Government and Community Relations John Stanziola, Director of Regulatory Affairs Gina M. Merritt-Epps, Esq., Corporate Counsel & Secretary Stacey Mitchell, Esq., Cozen & O'Connor

EXHIBIT C



A PENNSYLVANIA PROFESSIONAL CORPORATION

457 HADDONFIELD ROAD SUITE 300 LIBERTY VIEW P.O. BOX 5459 CHERRY HILL, NJ 08002-2220 856.910.5000 800.989.0499 856.910.5075 FAX www.cozen.com

THOMAS MCKAY, III ATTORNEY RESPONSIBLE FOR NU PRACTICE

[DATE]

VIA CERTIFIED MAIL

Stacy A. Mitchell Direct Phone 856.910.5006 Direct Fax 877.295.6880 smitchell@cozen.com

Clerk, Board of Chosen Freeholders Gloucester County 1 N. Broad Street Woodbury, NJ 08096

Chad M. Brunner, County Administrator 2 South Broad Street Woodbury, NJ 08096

Clerk, Borough of Wenonah 1 South West Avenue Wenonah, NJ 08090

In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Wenonah, Gloucester County BPU Docket No.

To the Parties Addressed:

Pursuant to the provisions of *N.J.S.A.* 48:2-14, South Jersey Gas Company ("South Jersey") has applied to the New Jersey Board of Public Utilities (the "Board") for approval of the Borough of Wenonah Ordinance No.9-2011, which granted South Jersey permission to continue to provide natural gas service in its community.

Please be advised that, pursuant to the attached letter, the Board has set <<DAY>>, <<DATE>> at <<TIME>> at the Board's 9th floor offices located at 44 South Clinton Avenue,

Clerk, Board of Chosen Freeholders Chad M. Brunner, County Administrator Clerk, Borough of Wenonah [DATE] Page 2

Trenton, New Jersey 08625 in Conference Room No. ____ as the time and place for the hearing on this matter. You are welcome to attend and put your views on the record.

Very truly yours,

COZEN O'CONNOR

By: Stacy A. Mitchell

SAM/bab

cc: Service List (electronically)