



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/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY FOR APPROVAL OF A)
MUNICIPAL CONSENT IN THE CITY OF SOMERS)
POINT, ATLANTIC COUNTY, NEW JERSEY)
)
) DOCKET NO. GE13111086

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 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 City of Somers Point ("City") to approximately 3,729 residential customers, 460 commercial customers and 1 industrial customer. The portion of the Company's consent from the City related to use of the streets expired on August 8, 1997.¹ On October 24, 2013, the City renewed its consent by adopting Ordinance No. 22-2013 which gave SJG consent and permission to furnish gas service in the City and to lay and construct its facilities within the public rights-of way for a period of 50 years from the date of expiration of the prior consent or until October 25, 2047. By letter dated November 1, 2013, 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.

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 City in an uninterrupted manner.

On August 1, 2013, 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 City. As required by law and after notice, a hearing in this matter was held on December 11, 2013, 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 hearing, the Company relied on its petition and exhibits filed with the Board and presented the testimony of Robert Fatzinger, its Senior Vice-President, Engineering Services. According to Mr. Fatzinger's testimony, SJG anticipates growth in its defined service territory to be approximately 1% annually for the next 3 to 5 years. Mr. Fatzinger stated that the Company has the capacity to ensure continuation of its natural gas service and does not foresee any concerns regarding its ability to meet the existing and future demands of the City.

Rate Counsel, in its written comments to the petition dated January 21, 2014, stated that it did not oppose approval of the consent for use of the streets as it was limited to 50 years. Rate Counsel recommended that the Board's Order specifically provide that the approval of the consent does not include an authorization to include in rate base any specific assets that may be constructed as a result of approval of the petition.

After a full review of the entire record, the Board **HEREBY FINDS** 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 the ability to install the appropriate infrastructure to allow it to provide safe, adequate and proper service. The Board **FURTHER FINDS** that the Company has the necessary experience, financial capability, capacity and facilities in the City to continue to provide adequate and appropriate service to its existing customers. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, **HEREBY APPROVES** the consent granted to SJG by the City for use of the streets for the provision of gas service in the City as sought in the Company's petition.

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


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 SJG.
2. 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. 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.


4. The rates for service to the Company's customers in the City 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.
6. The Company has agreed to a 50-year limitation on the consent for the use of the streets as set out in N.J.S.A. 48:3-15. The term of the consent as to the right to provide service is not limited by this Order and shall be effective as granted by the City.

This Order shall be effective as of May 2, 2014.

DATED: 4/24/14

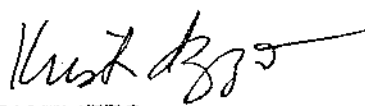
BOARD OF PUBLIC UTILITIES
BY:


DIANNE SOLOMON
PRESIDENT

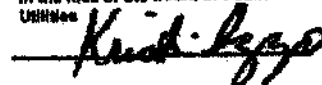

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
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
APPROVAL OF A MUNICIPAL CONSENT IN THE CITY OF SOMERS POINT,
ATLANTIC COUNTY, NEW JERSEY - DOCKET NO. GE13111086

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EXHIBIT

A

City of Somers Point
Ordinance No. 22 of 2013

**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 CITY OF SOMERS POINT,
COUNTY OF ATLANTIC, STATE OF NEW JERSEY**

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, provides natural gas service to customers located within the municipal boundaries of the City of Somers Point pursuant to a municipal consent heretofore granted to South Jersey Gas Company by Ordinance adopted on August 8, 1947; and

WHEREAS, the consent to the use of the street, alleys, squares and public places within the City of Somers Point (the "Municipal Consent") is limited by N.J.S. 48:3-15 to a term of fifty (50) years which expired in August of 1997; and

WHEREAS, notwithstanding the expiration of the term of the Municipal Consent, the South Jersey Gas Company has continued to provide service to customers within the City of Somers Point in compliance with its statutory obligation under Title 48 of the New Jersey Statutes applicable to utility companies generally and gas utility companies specifically; and

WHEREAS, letter petition dated August 8, 2013, South Jersey Gas Company now seeks, pursuant to N.J.S. 48:3-15, to renew the Municipal Consent for an additional term; and

WHEREAS, pursuant to N.J.S. 48:3-15 a municipality is authorized to grant such consent for the right to use the street(s) petitioned for, by ordinance and not otherwise, for a period not exceeding fifty (50) years; and

WHEREAS, N.J.S. 48:3-13 requires that public notice shall be given by publication once a week for at least two weeks in one or more newspapers published and circulated in the municipality and by posting notice in five of the most public places in the municipality for at least fourteen days before the meeting of the governing body at which the application shall be considered; and

WHEREAS, having given due and proper consideration to the petition submitted on behalf of South Jersey Gas Company, having published and posted the notices required by law and having provided the opportunity for public comment

NOW, THEREFORE, it is hereby ORDAINED by the Common Council of the City of Somers Point, County of Atlantic, and State of New Jersey as follows:

Section 1. That consent and permission is hereby renewed and granted to South Jersey Gas Company (the "Company") to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the City of Somers Point in the manner prescribed by N.J.S. 48:9-21, and subject to reasonable regulations imposed by ordinance or resolution with respect to the opening of streets and public places, including street opening moratoriums.

Section 2. This consent is granted to the Company for the entire geographical area of the City of Somers Point extending to the boundaries thereof, and shall remain in effect for a period ending October 25, 2047 being fifty (50) years from the expiration of the consent in 1997, subject to the right of the Company to seek such changes herein as it may deem necessary and reasonable from time to time prior to the expiration of said period.

Section 3. Throughout the full term of this ordinance, the Company, for itself, its successors and assigns, agrees to maintain its property within the City of Somers Point in good order and shall furnish safe, adequate and proper service within the City at just and reasonable rates as approved from time to time by the New Jersey Board of Public Utilities. At and after expiration of the term of this ordinance, the Company shall safeguard the public interest in continuous and uninterrupted service within the City until such time as the Municipal Consent shall be renewed.

Section 4. As a condition of this Municipal Consent, whenever a curb line shall be established on streets where one does not now exist, or where an established curb line shall be relocated in order to change the width or realign an existing street in conjunction with road construction being performed by or at the direction of the City, the Company shall change the location of its belowground facilities covered by this ordinance, so that the same shall be back of, and adjacent to, the new curb line so long as the City has acted in accordance with applicable law and with reasonable care in establishing the new curb line and providing notice thereof. This requirement includes that the City owns the existing or acquired right-of-way where the Company is being requested to locate or relocate facilities, and that the new curb line is properly established by ordinance, filed map and/or official map.

The Company shall bear the costs of such relocation so long as the relocation is for the purpose of construction, reconstruction, improvement or repair to streets, sidewalks, sewers, water mains, storm drains, and other City utilities and infrastructure, and not solely for aesthetic purposes or in, on, along, over or under any sewerage facility project as governed by N.J.S. 40A:26A-8.

Section 5. Following final passage of this ordinance, the City Clerk shall provide the Company with written notice thereof by certified mail.

Section 6. As provided by N.J.S. 48:2-14 and all other applicable law, this ordinance shall not become effective until acceptance thereof by the Company and approval thereof by the State of New Jersey Board of Public Utilities.

Section 7. This ordinance shall cancel and supersede all prior consent ordinances between the City and the Company regarding the subject matter hereof.

Section 8. 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 9. This Ordinance shall take effect immediately upon posting, publication, final passage in the manner prescribed by law, acceptance by South Jersey Gas Company, and such approval as may be required by law to be granted by the New Jersey Board of Public Utilities.


Section 10. This Ordinance, following adoption, shall be codified within the Municipal Code Book of the City of Somers Point as Appendix A268.

FIRST READING: SEPTEMBER 26, 2013

FIRST PUBLICATION: OCT. 2, 2013

SECOND PUBLICATION: OCT. 9, 2013

FINAL PASSAGE: OCTOBER 24, 2013



John L. Glasser, Jr., Mayor Date

EXHIBIT

B



South Jersey Gas

*Where we put all of our energy**

Gina Merritt-Epps, Esq.
Office of General Counsel and Corporate Secretary
General Counsel and Corporate Secretary

November 1, 2013

(Via email at cdegrassi@spgov.org)

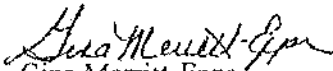
Carol Degrassi, City Clerk
Somers Point Office of the City Clerk
1 West New Jersey Avenue
Somers Point, NJ 08244

Re: Acceptance of Ordinance No. 22-2013 Granting Municipal Consent to South Jersey Gas Company to Furnish Gas for Light, Heat and Power

Dear Ms. Degrassi:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 22-2013 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the City of Somers Point. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 22-2013, as passed.

Very truly yours,


Gina Merritt-Epps
gmerritt@sjindustries.com

Enclosure

cc: (all via e-mail)
John Stanziola, Director, Regulatory Affairs
Sherri Vasu, Supervisor, Revenue Analyst Permits
Abbey Greenberg, Public Affairs Specialist
Ira G. Megdal, Esq.
Stacy A. Mitchell, Esq.