



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 BOROUGH OF)
MEDFORD LAKES, BURLINGTON COUNTY, NEW)
JERSEY) DOCKET NO. GE13111087

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 Borough of Medford Lakes ("Borough") to approximately 1,265 residential and 49 commercial customers. The Company's consent to use the streets within the Borough for the provision of gas service expired on March 23, 2011.¹ On October 23, 2013, the Borough adopted Ordinance 613 by which it renewed its consent and granted SJG permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of 50 years in the manner prescribed by N.J.S.A. 48:9-21. By letter dated November 7, 2013, the Company accepted and agreed to the terms of the consent. Copies of the original and current Ordinances and the letter of acceptance are attached to this Order as Exhibits "A," "B" and "C" 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 Borough in an uninterrupted manner.

On November 13, 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 Borough. 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% for the next 3 to 5 years. According to the Company, it 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 Borough.

Rate Counsel, in its written comments to the petition stated that it had no objection to the granting of the relief requested by SJG provided that the Board clarified that the consent to the term of the consent to use the streets is limited to 50 years. Rate Counsel also 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 **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 provide safe, adequate and proper service. The Board **FURTHER FINDS** that the Company has the necessary experience, financial capability, capacity and facilities in the Borough 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 Borough for the continued use of its public streets for a period of 50 years 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:

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 Borough 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. The term of the consent as to the right to provide service is not limited by this Order and shall be effective as previously granted by the Borough.

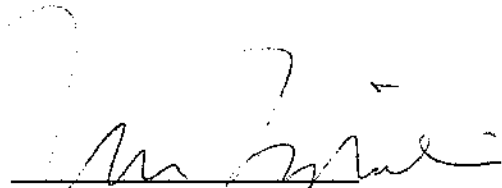
This Order shall be effective as of May 2, 2014.

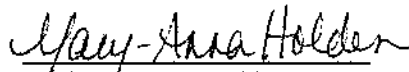
DATED: 4/24/14

BOARD OF PUBLIC UTILITIES
BY:


DIANNE SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER

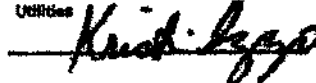

JOSEPH L. FIORDALISO
COMMISSIONER


MARYANNA 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



THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL
OF A MUNICIPAL CONSENT IN THE BOROUGH OF MEDFORD LAKES,
BURLINGTON COUNTY, NEW JERSEY - DOCKET NO. GE13111087

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EXHIBIT A

ORDINANCE

AN ORDINANCE GIVING AND GRANTING CONSENT AND PERMISSION TO SOUTH JERSEY GAS COMPANY TO FURNISH GAS FOR LIGHT, HEAT AND POWER IN THE BOROUGH OF MEDFORD LAKES, IN THE COUNTY OF BURLINGTON AND STATE OF NEW JERSEY.

BE IT ORDAINED by the Borough Council of the Borough of Medford Lakes, that:

SECTION 1. Consent and permission to furnish gas for light, heat and power in the Borough of Medford Lakes, in the County of Burlington, is hereby given and granted to the South Jersey Gas Company, hereinafter referred to as COMPANY, subject to the approval of such consent and permission by the Board of Public Utility Commissioners of the State of New Jersey.

SECTION 2. The franchise hereby granted is made expressly subject to the condition that said COMPANY exercise its privilege in said Borough within a period of two (2) years from the effective date of this Ordinance. The franchise shall be deemed exercised upon said COMPANY's rendition of its services to consumers within the Borough of Medford Lakes.

SECTION 3. Said COMPANY shall lay and construct its conductors, mains and pipes, with any appurtenances thereto through the streets and public places within the Borough in the manner required by Section 48:9-21 of the Revised Statutes.

SECTION 4. Public travel shall at no time be unnecessarily affected or impeded by any construction or maintenance work and all such streets and public places shall be restored to as good condition as they were before being opened for new construction or repairs to the satisfaction of Borough Council.

SECTION 5. Where possible the conductors, pipes and mains, with any appurtenances thereto, of said COMPANY, shall be located in the unsurfaced portion of any street or public place.

SECTION 6. Said COMPANY shall indemnify and save harmless the Borough of Medford Lakes from any loss whatsoever caused in any way by the opening of any street or public place in said Borough in connection with any new construction, repairs or maintenance of said conductors, pipes and mains, with any appurtenances thereto, or caused by the operation thereof.

SECTION 7. No street or public place shall be opened by said COMPANY, except for the construction or maintenance of lateral or individual service lines, without the prior approval by Borough Council of the plan or plans for the construction or maintenance of any conductor, pipes or mains, with any appurtenances thereto.

SECTION 8. In addition to these regulations set forth herein said COMPANY shall be subject to such other reasonable regulations with respect to the opening of streets and public places that may be subsequently imposed by Borough Council.

SECTION 9. Said COMPANY shall within thirty (30) days after the final passage of this Ordinance file with the Borough Clerk a bond in the amount of FIVE THOUSAND DOLLARS (\$5,000) in such form as may be prescribed by Borough Council, conditioned for the restoration of any street or public place, which said COMPANY may open or damage, in a manner satisfactory to Borough Council.

SECTION 10. Any damage caused by said COMPANY to any sanitary or storm sewers within said Borough shall be repaired immediately to prevent the creation of any nuisance.

SECTION 11. Nothing contained herein shall be construed to impose an obligation on the part of the Borough to open any street or part thereof, not dedicated, or dedicated but unaccepted or in any way be construed to be an acceptance of any unaccepted street or public place or any part thereof.

SECTION 12. Said COMPANY shall pay the expenses incurred by the Borough of Medford Lakes for the advertising in connection with the passage of this Ordinance within thirty (30) days after final passage.

SECTION 13. A written acceptance of the terms and conditions of this Ordinance shall be filed with the Borough Clerk by the COMPANY within thirty (30) days after final passage.

SECTION 14. This Ordinance shall take effect immediately following final passage and publication according to law.

NOTICE

Notice is hereby given that the foregoing ordinance was introduced at a meeting of the Borough Council of the Borough of Medford Lakes on the 23rd day of February A. D. 1961 and passed on first reading by the affirmative vote of Mayor Garton and Councilman Walters, with Palese absent, and the same was then ordered to be published according to law; and that such ordinance will be further considered for final passage at a meeting of the Borough Council of the Borough of Medford Lakes to be held at the Administration Building in the Borough of Medford Lakes on the 23rd day of March A. D. 1961, at eight-thirty o'clock in the evening (8:30 P.M.) at which time and place or at any time and place to which said meeting shall from time to time be adjourned. All persons interested will be given an opportunity to be heard concerning such ordinance.

By Order of the Borough Council.

/s/ John A. Weaver, Jr.
Borough Manager and Clerk

EXHIBIT B

BOROUGH OF MEDFORD LAKES, NEW JERSEY

ORDINANCE NUMBER 613

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 BOROUGH OF MEDFORD LAKES

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, provides natural gas service to the Borough of Medford Lakes pursuant to the municipal consent first granted to South Jersey Gas Company in that certain Ordinance No. 57 adopted on March 23, 1961; and

WHEREAS, South Jersey Gas Company now seeks, pursuant to N.J.S.A. 48:3-15, the consent of the Borough of Medford Lakes to renew all Sections of Ordinance No. 57 applicable to the use of the streets in the Borough of Medford Lakes; and

NOW THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Medford Lakes, County of Burlington and State of New Jersey, as follows:

Section 1. That consent and permission is hereby renewed and granted to South Jersey Gas Company to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough of Medford Lakes in the manner prescribed by N.J.S.A. 48:9-21, and subject to reasonable regulations imposed by Ordinance or Resolution with respect to the opening of streets and public places, subject to approval of such consent and permission by the Board of Public Utilities and the Borough of Medford Lakes.

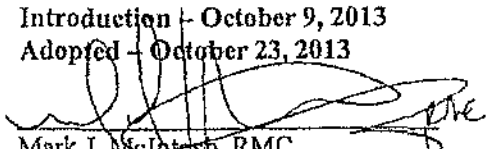
Section 2. This consent is granted for the entire geographical area of the Borough of Medford Lakes and extends to the boundaries of the Borough of Medford Lakes and shall remain in effect for a period of fifty (50) years from the date of final adoption of this Ordinance.

Section 3. 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 4. This Ordinance shall take effect immediately upon posting, publication, final passage in the manner prescribed by law.

Introduction - October 9, 2013

Adopted - October 23, 2013


Mark J. McIntosh, RMC
Borough Clerk



Thomas J. Cranston
Mayor

EXHIBIT C



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 7, 2013


(Via email at markjmc@comcast.net)
Mark J. McIntosh, RMC, Borough Clerk
1 Cabin Circle
Medford Lakes, NJ 08055

Re: Acceptance of Ordinance No. 613 Granting Municipal Consent to South Jersey Gas
Company to Furnish Gas for Light, Heat and Power

Dear Mr. McIntosh:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 613 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the Borough of Medford Lakes. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 613, 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
Stacy A. Mitchell, Esq.