



Agenda Date: 8/19/15
Agenda Item: IID

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)
NORTHFIELD, ATLANTIC COUNTY, NEW JERSEY) DECISION AND ORDER
DOCKET NO. GE15040405

Parties of Record:

Stacy A. Mitchell, Esq., Cozen O'Connor, P.C., on behalf of Petitioner, South Jersey Gas Company

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD: ¹

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 364,000 customers within its service territory.

SJG currently provides natural gas service within the City of Northfield ("City") to approximately 3,321 residential and 564 commercial customers. The Company's consent to use the streets within the City for the provision of gas service expired on October 20, 1997,² pursuant to the fifty (50) year statutory limitation set forth in N.J.S.A. 48:3-15. On February 25, 2015, the City adopted Ordinance No. 4-2015, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes, mains, and related appurtenances and facilities within the streets, alleys, squares and public places within the City for a period of fifty (50) years to furnish gas service in the City. By letter dated March 9, 2015, 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 Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

² 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 April 6, 2015, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, SJG filed a petition requesting that the Board approve the consent adopted by the City. As required by law and after notice, a hearing in this matter was held on May 22, 2015, William Agee, Esq., the Board's duly appointed hearing officer. 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 Joseph Schneider, its General Manager of System Engineering and Planning. Mr. Schneider testified that SJG is experiencing an increase in customers within its service territory due to conversion from other fuels to natural gas. According to the petition, SJG anticipates growth in its defined service territory to be approximately one (1) percent annually for the next three (3) to five (5) years. SJG further represents that 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 City.

Rate Counsel, in its written comments to the petition dated June 5, 2015, indicated that it does not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty (50) years. However, Rate Counsel requests that approval of the petition include certain restrictions which are incorporated in this Order.

Following the receipt of Rate Counsel's comments, SJG filed correspondence with the Board dated June 5, 2015 indicating that it had no additional comments.

After a full review of the entire record, the Board **HEREBY FINDS** that the municipal consent for use of the streets, which is the subject of this matter, is necessary and proper for the public convenience and properly serves the public interest, and that SJG has the ability to continue 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, as well as expected future customers, and that the fifty (50) year duration of the municipal consent to use the streets is consistent with N.J.S.A. 48:3-15. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, **HEREBY APPROVES** the consent granted to SJG by the City to continue to provide gas service, and for the continued use of its public streets for that purpose for a period of fifty (50) years.

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

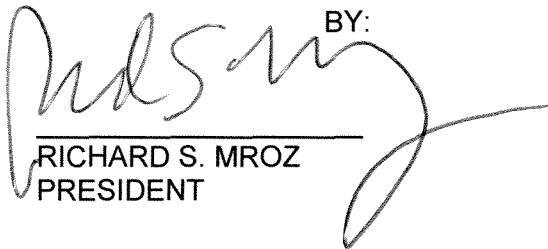
1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by SJG.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board of the State in any future petition or in any proceedings with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or in any other matters affecting SJG.

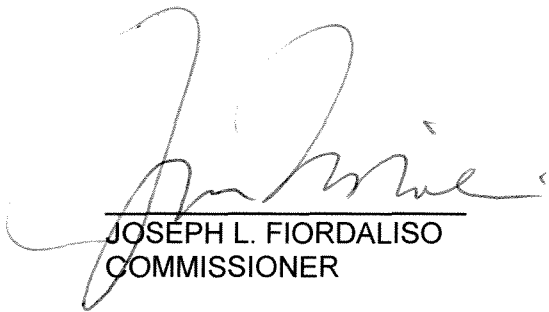
3. In an appropriate subsequent proceeding, SJG shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.
4. The rates for service to the Company's customers in the City shall continue to be those set out in the 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.

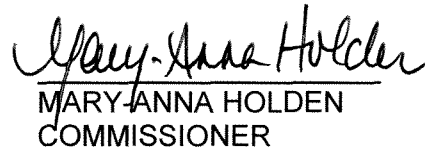
This Order shall be effective as of August 29, 2015.

DATED: 8/19/15

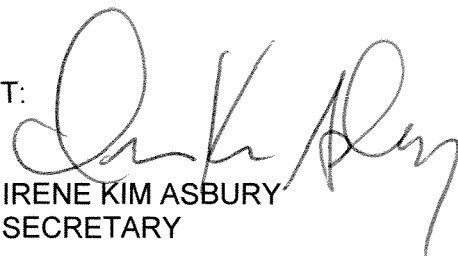
BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT

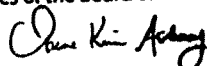

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 NORTHFIELD, ATLANTIC COUNTY,
NEW JERSEY - DOCKET NO. GE15040405

SERVICE LIST

South Jersey Gas Company:

Stacy A. Mitchell, Esq.
Cozen O'Connor, P.C
457 Haddonfield Road, Suite 300
Post Office Box 5459
Cherry Hill, New Jersey 08002
smitchell@cozen.com

John F. Stanziola
Director, Regulatory Affairs
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
istanziola@sjindustries.com

Gina Merritt-Epps, Esq.
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
gmerritt@sjindustries.com

Abbey Greenberg
Public Affairs Specialist –
Government and Regulatory Affairs
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
agreenberg@sjindustries.com

Christopher Psihoules, DAG
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
christopher.psihoules@dol.lps.state.nj.us

Board of Public Utilities:

Board of Public Utilities
Division of Energy
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Jerome May, Director
jerome.may@bpu.state.nj.us

John Masiello
john.masiello@bpu.state.nj.us

Megan Lupo, Esq.
megan.lupo@bpu.state.nj.us

Rate Counsel:

Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.state.nj.us
smassey@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
ftthomas@rpa.state.nj.us

Brian O. Lipman, Litigation Manager
blipman@rpa.state.nj.us

Brian Weeks, Esq.
bweeks@rpa.state.nj.us

Exhibit A

**CITY OF NORTHFIELD, NJ
ORDINANCE 4-2015**

**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 NORTHFIELD**

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey and a regulated public utility provider, provides natural gas service to The City of Northfield pursuant to the municipal consent first granted to South Jersey Gas Company in a certain Ordinance passed on October 20, 1947 attached hereto; and

WHEREAS, South Jersey Gas Company now seeks, pursuant to N.J.S.A. 48:3-15, the consent of The City of Northfield to renew the consent given by the City of Northfield in the October 20, 1947 Ordinance applicable to the use of the streets in The City of Northfield by adopting the following Ordinance;


NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of Northfield, 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 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 Northfield in the manner prescribed by N.J.S.A. 48:9-21, and subject to regulations imposed by the City Code (current and as subsequently amended), ordinances and/or resolutions with respect to the opening of streets and public places, subject to approval of such consent and permission by the Board of Public Utilities.

Section 2. This consent is granted for the entire geographical area of The City of Northfield and extend to the boundaries of Northfield 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, and acceptance by South Jersey Gas Company.


Mary Canesi, RMC
Municipal Clerk

 2/26/15
Erland Chau
Mayor

The above Ordinance was introduced and passed on its first reading at a regular meeting of the Council of the City of Northfield, New Jersey held on January 28, 2015 and was taken up for a second reading, public hearing and final passage at a meeting of said Council held February 25, 2015 in Council Chambers, City Hall, Northfield, New Jersey.

FIRST READING:	January 28, 2015
PUBLICATION:	January 31, 2015
PUBLICATION:	February 7, 2015
FINAL ADOPTION:	February 25, 2015
PUBLICATION:	February 28, 2015

Roll Call

Aye: Dewees, Lischin, Murray, O'Neill, Perri, Piergiovanni, Travagline
Nay:
Abstain:
Absent:

City of Northfield, NJ Ordinance No. 4-2015, p. 2 of 2

Exhibit B



Stacey M. Barnes, Esq.
Office of General Counsel and Corporate Secretary

March 9, 2015

(Via email scampbell@cityofnorthfield.org)
Shannon Campbell, Deputy City Clerk
City of Northfield
1600 Shore Road
Northfield, NJ 08225

Re: Acceptance of Ordinance No. 4-2015 Granting Municipal Consent to South Jersey Gas Company to Use the Streets for the Provision of Natural Gas Service

Dear Ms. Campbell:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 4-2015 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the City of Northfield. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 4-2015, as passed.

Please do not hesitate to call if you have any questions. Thank you.

Very truly yours,

Stacey M. Barnes, Esq.
General Manager, Legal Compliance
sbarnes@sjindustries.com

Enclosure

cc: John Stanziola, Director, Regulatory Affairs
Sherri Ramos, Supervisor, Revenue Analyst Permits
Abbey Greenberg, Public Affairs Specialist
Stacy A. Mitchell, Esq.