

Agenda Date: 4/27/16 Agenda Item: IIi

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 3rd Floor, Suite 314 Post Office Box 350 Trenton, New Jersey 08625-0350 www.ni.gov/bpu/

		ENERGY
IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF A MUNICIPAL CONSENT IN THE BOROUGH OF LONGPORT, ATLANTIC COUNTY, NEW JERSEY)))	DECISION AND ORDER
201101 ONI, MEN JERSEY	}	DOCKET NO. GE15080892

Parties of Record:

Stacy M. Barnes, Esq., South Jersey Gas Company Stefanie A. Brand, Esq., New Jersey 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 Longport ("Borough") to approximately 1,556 residential, and 29 commercial customers. The Company's consent to use the streets within the Borough for the provision of gas service expired on July 17, 1997, pursuant to the fifty (50) year statutory limitation set forth in N.J.S.A. 48:3-15. On June 3, 2015, pursuant to Ordinance No. O2015-04, the Borough 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 Borough for a period of fifty (50) years to furnish gas service in the Borough. By letter dated July 28, 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.

On August 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 Borough. As required by law and

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.

after notice, a hearing in this matter was held on September 28, 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 Borough.

Rate Counsel, in its written comments to the petition dated November 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.

After a full review of the entire record, the Board <u>HEREBY FINDS</u> 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 <u>FURTHER FINDS</u> 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, as well as expected future customers, and that the fifty (50) year duration of the municipal consent to use the streets is consistent with <u>N.J.S.A.</u> 48:3-15. 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 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:

- 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.

This Order shall be affective as of May 7, 2016. DATED: **BOARD OF PUBLIC UTILITIES** RICHARD S. MROZ **PRESIDENT** JÓSEPH L. FIORDALISO COMMISSIONER OMMISSIONER DIANNE SOLOMON

ATTEST:

COMMISSIONER

IRÉNE 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

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UPENĎRA J. CHIVUKULA

COMMISSIONER

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF A MUNICIPAL CONSENT IN THE BOROUGH OF LONGPORT, ATLANTIC COUNTY, NEW JERSEY - DOCKET NO. GE15080892

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Robert Fatzinger South Jersey Gas Company One South Jersey Plaza Route 54 Folsom, NJ 08037

Stacey M. Barnes, Esq. South Jersey Gas Company One South Jersey Plaza Route 54 Folsom, NJ 08037

Abbey Greenberg
Public Affairs Specialist
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Folsom, NJ 08037

Exhibit A

BOROUGH OF LONGPORT O2015-04

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 LONGPORT

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, provides natural gas service to Longport pursuant to the municipal consent first granted to South Jersey Gas Company in that certain Ordinance 703, dated July 17, 1947

WHEREAS, South Jersey Gas Company now seeks, pursuant to N.J.S.A. 48:3-15, the consent of Longport to renew Section 2 of Ordinance 703, dated July 17, 1947 applicable to the use of the streets in Longport by adopting the following Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of Longport, 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 Longport in the manner prescribed by N.J.S.A. 48:9-21, subject to reasonable regulations imposed by ordinance or resolution with respect to the opening of streets and public places and 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 Longport and extend to the boundaries of Longport 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.

The ordinance shall take effect immediately upon final passage and publication to law.

5-20-15	Motion	Second	Yes	Ney	Abstrán	Abseut
Russo	xx		XX.			
Lects		ж×	хх	Ĭ		
Lawler].		ж			

PUBLICATION:5-25-15

6-3-2015	Motion	Second	Yes	Nay	Abstain	Absent
Russo	ж		xx			
Leeda		XX	XX			·
Lawler		··· . <u>-</u>			_	XX

PUBLICATION: 6-6-2015

SIGNATURE PAGE FOR 02015-04

Date:6-3-2015

certified by

Emilia/R. Strawder, RMC/Cle

Nicholas Russo, Mayor

ames P Leeds/Commissioner

Daniel Lawler, Commissioner

Exhibit B



Where we put at of our energy*
Stacey M. Barnes, Esq.
Director, Legal Compliance
Office of General Counsel and Corporate Secretary

July 28, 2015

(Via Certified Mail & E-mail: clerk@longport-nj.us)

Borough of Longport

Attention: Emilia R. Strawder, RMC/CMR - Municipal Clerk

2305 Atlantic Avenue Longport, NJ 08403-1103

Re:

Acceptance of Ordinance No. O2015-04 Granting Municipal Consent to South Jersey Gas

Company to Use the Streets for the Provision of Natural Gas Service

Dear Mrs. Strawder.

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. O2015-04 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the Borough of Longport. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. O2015-04, as passed.

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

Very truly yours,

Stacey M. Barnes, E3q.
Director, Legal Compliance
sbarnes@siindustries.com

SMB/ls

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cc: John Stanziola, Director, Regulatory Affairs
Abbey Greenberg, Stakeholder Relations Specialist

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