

Agenda Item: IIG

## STATE OF NEW JERSEY

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

		ENERGY
IN THE MATTER OF THE PETITION OF PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS FOR APPROVAL OF A MUNICIPAL CONSENT RENEWING A FRANCHISE IN THE BOROUGH OF WASHINGTON, WARREN COUNTY, NEW JERSEY	) ) ) )	DECISION AND ORDER  DOCKET NO. GE18050578

## Parties of Record:

Mary Patricia Keefe, Esq., Elizabethtown Gas Company Stefanie A. Brand, Esq., New Jersey Division of Rate Counsel

#### BY THE BOARD:

Pivotal Utility Holdings, Inc.,<sup>1</sup> d/b/a Elizabethtown Gas ("Elizabethtown" or "Company"), a regulated public utility subject to the jurisdiction of the New Jersey 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 291,000 customers within its service territory.

Elizabethtown currently provides natural gas service within the Borough of Washington ("Borough") to approximately 3,133 residential and 329 commercial customers. The Company's consent to use the streets within the Borough for the provision of gas service expired on November 6, 2004, pursuant to the original ordinance approved by the Borough. A copy of the original ordinance is attached to this Order as Exhibit "A." On April 17, 2018 pursuant to Ordinance No. 2018-06 ("Ordinance"), the Borough renewed its consent and granted Elizabethtown continued permission to lay and construct its pipes, mains, and related

<sup>&</sup>lt;sup>1</sup> In an Order dated June 22, 2018, in BPU Docket No. GM17121309, the Board approved, <u>inter alia</u>, the acquisition of Elizabethtown Gas, then a utility operating division of Pivotal Utility Holdings, Inc., by ETG Acquisition Corp., a wholly owned subsidiary of South Jersey Industries, Inc. The acquisition was consummated on July 1, 2018 and ETG Acquisition Corp. was renamed "Elizabethtown Gas Company."

<sup>&</sup>lt;sup>2</sup> 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, Elizabethtown has continued to provide service to its customers within the Borough in an uninterrupted manner.

appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of ten (10) years to furnish gas service in the Borough. By letter dated May 2, 2018, 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 "B" and "C" respectively.

On May 24, 2018, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, Elizabethtown filed a petition requesting that the Board approve the consent adopted by the Borough. As required by law and after notice, a hearing in this matter was held on September 27, 2018. Stacy Richardson Ho, Esq., the Board's duly appointed hearing officer, presided over the hearing. A copy of the hearing notice is attached to this order as Exhibit "D." Appearances were made on behalf of the Company, the New Jersey 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 Gary Marmo, its Director of New Business Development. According to Mr. Marmo's testimony, Elizabethtown has the capacity to meet the existing and future needs of customers located within the municipality. Mr. Marmo also testified that Elizabethtown has continued to provide uninterrupted service to its customers within the Borough.

On October 25, 2018, Rate Counsel filed written comments in this matter, indicating that it does not object to the approval of the Company's petition since the Company represented that it has the capacity necessary to continue to provide natural gas service to the Borough, and since the term of the municipal consent related to the use of streets is less than the statutory maximum term of fifty (50) years. However, Rate Counsel requests that approval of the petition include certain restrictions which are incorporated in this Order.

On November 1, 2018, Elizabethtown filed correspondence with the Board indicating that it did not object to the language recommended by Rate Counsel.

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 Elizabethtown 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 ten (10) 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, <u>HEREBY APPROVES</u> the consent granted to Elizabethtown 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 ten (10) years.

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

1. As required by N.J.S.A. 48:3-15, and limited by Ordinance No. 2018-06, the municipal consent to construct, maintain and operate gas lines in the streets and other public places in the Borough is limited to a term not exceeding ten (10) years.

- 2. 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 Elizabethtown.
- This Order shall not effect nor in any way limit the exercise of the authority of this 3. Board or of this 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 Elizabethtown.

This Order shall be effective as of December 28, 2018.

DATED: 12/18/18

**BOARD OF PUBLIC UTILITIES** 

BY:

FIORDALISO

**PRESIDENT** 

COMMISSIONER

RA J. CHIVUKULA

COMMISSIONER

COMMISSIONER

ROBERT M. GORDON COMMISSIONER

ATTEST:

SECRETARY

I HEREBY CERTIFY that the v document is a true copy of the or in the files of the Board of Pub

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR APPROVAL OF A MUNICIPAL CONSENT IN THE BOROUGH OF WASHINGTON, WARREN COUNTY, NEW JERSEY - DOCKET NO. GE18050578

## SERVICE LIST

### **Board of Public Utilities:**

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Christopher Oprysk christopher.oprysk@bpu..nj.gov

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Post Office Box 003 Trenton, NJ 08625-0003

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Renee Greenberg, DAG renee.greenberg@law.njoag.gov

## Elizabethtown Gas:

520 Green Lane Union, NJ 07083

Mary Patricia Keefe, Esq. Vice President, Regulatory Affairs And Business Support <a href="mailto:mkeefe@sjindustries.com">mkeefe@sjindustries.com</a>

Deborah Franco, Esq.
Cullen and Dykman, LLP
Garden City Center
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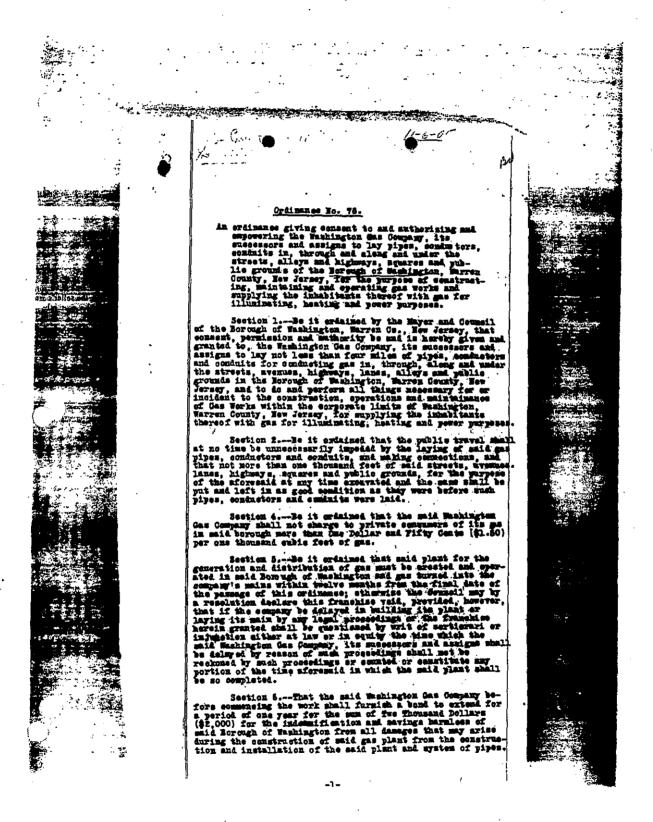
## Borough of Washington:

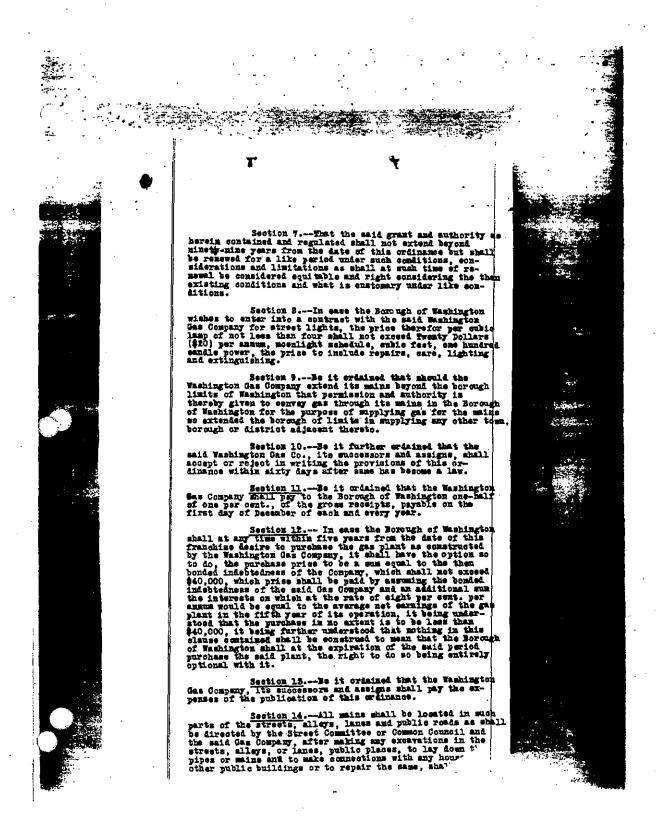
Laurie Barton, Clerk Borough of Washington Washington Borough Office 100 Belvidere Avenue Washington, NJ 07882

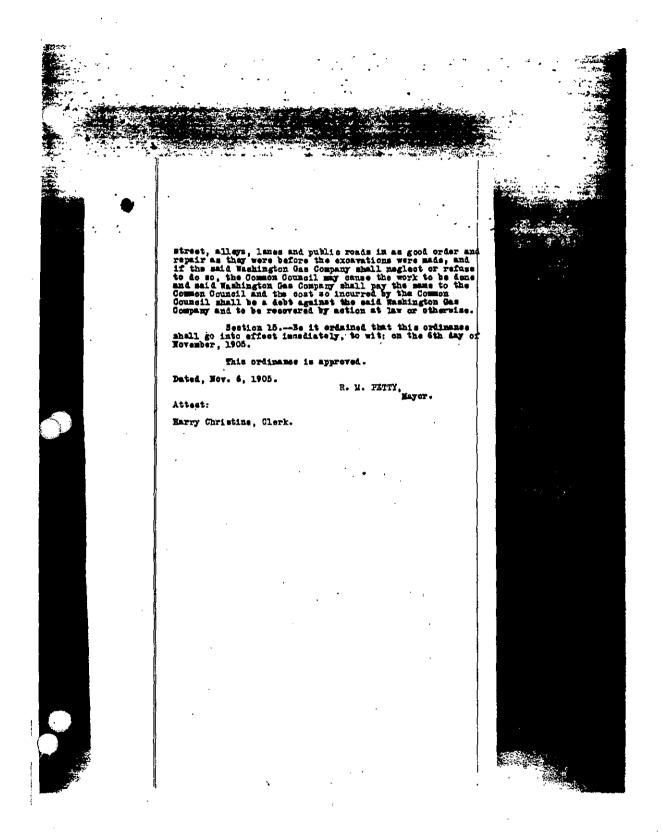
Steven Marin, County Administrator/ Freeholder clerk Wayne Dumont Jr. Administration Building 165 County Route 519 South Belvidere, NJ 07823-1946

## Exhibit A

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# Exhibit B

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#### **EXHIBIT A**

## STATE OF NEW JERSEY COUNTY OF WARREN BOROUGH OF WASHINGTON

#### ORDINANCE 2018-06

AN ORDINANCE OF THE BOROUGH OF WASHINGTON GRANTING MUNICIPAL CONSENT TO PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS TO CONSTRUCT, MAINTAIN AND OPERATE GAS LINES FOR THE DISTRIBUTION OF NATURAL AND MIXED GAS.

WHEREAS, Pivotal Utility Holdings, Inc. doing business as Elizabethtown Gas, a Corporation of the State of New Jersey and a public utility subject to the jurisdiction of the New Jersey Board of Public Utilities, on January 18, 2018, filed a Petition with the Clerk of the Borough of Washington (the "Borough") seeking renewal of the Municipal Consent to construct, operate and maintain natural and mixed gas distribution lines for public and private consumption throughout the Borough.

WHEREAS, the Washington Gas Company, a predecessor of Elizabethtown Gas was granted Municipal Consent to serve residents within the municipality and to construct, maintain, and operate a gas line for the distribution of natural and mixed gas in the Borough, pursuant to an Ordinance adopted on November 6, 1905, and that Municipal Consent expired ninety-nine years thereafter.

WHEREAS, representatives of the Petitioner appeared before the Mayor and Council to present their request for renewal of the Consent Ordinance within the Borough; and

WHEREAS, the Petitioner has provided public notice of such Petition through publication in the official newspaper of the Borough, and notices of such Petition have been posted pursuant to Statute.

WHEREAS, the Borough has determined that it is reasonable and necessary for Elizabethtown Gas, its successors and assigns, to continue to provide for construction, maintenance, and operation of a gas line for the distribution of natural and mixed gas in the entire Borough.

WHEREAS, the Borough desires to extend the municipal consent to Elizabethtown Gas under the terms set forth in this Ordinance.

NOW THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Washington:

Section I. Grant of Municipal Consent.

The Borough of Washington hereby grants to Pivotal Utility Holdings, Inc. doing business as Elizabethtown Gas, a Corporation of the State of New Jersey (hereinafter

1

"Elizabethtown") with principal offices located at 520 Green Lane, Union, New Jersey 07083, its successors and assigns, a nonexclusive consent, right and privilege for the use, without impairment of, or obstruction to the public use, of the public roads, streets, avenues, ways, and other public places of the Borough to construct, lay, maintain, and operate for a period of ten (10) years, the necessary mains, conductors, pipes and concomitant appurtenances for the purpose of conveying, storing, supplying and distributing natural and mixed gas for heat, power, light and other purposes for public and private use and consumption, along, in, or under the following described service area: all the public roads, streets, avenues, highways, and public places within the Borough as they now exist or may be hereinafter be laid out by the municipal authorities of the Borough or dedicated to the Borough.

## Section II. Conditions on Grant of Municipal Consent.

The Municipal Consent granted herein is expressly conditioned upon the following:

- (a) the written acceptance of Elizabethtown of the terms and conditions of this municipal Consent Ordinance within thirty (30) days of its final adoption.
- (b) the New Jersey Board of Public Utilities (hereinafter "N.J.B.P.U.") approval of the Consent herein granted and the issuance of such other grants or approvals as determined by the N.J.B.P.U.
- (c) Elizabethtown shall satisfy all Statutory requirements regarding the proper organization and operation of a Public Utilities engaged in the distribution of natural and mixed gas, and shall remain subject to the jurisdiction of and comply with all Rules and Regulations of the United States Department of Transportation, Office of Pipeline Safety and the N.J.B.P.U. as well as the Ordinance of the Borough.
- (d) Elizabethtown shall construct and continuously maintain and operate their distribution line within the service area in a safe and efficient manner, and maintain such gas distribution lines in a state of good operation and repair and including all streets, roads, and public rights-of-way within the Borough wherein its lines are located.
- (e) the construction, operation and maintenance of the gas distribution system within the rights-of-way of the Borough shall in no way place any obligation, financial or otherwise, or any liability of any kind, upon the Borough and no obligation is to attach for the construction, operation and maintenance of the said gas distribution system to the Borough.

## Section III. Construction; Installation; Restoration.

(a) Construction. In each and every case in which road openings or excavation of any nature are required or made for the purposes aforesaid, Elizabethtown shall restore, all such public and private lands or facilities to as good a condition as existed at the commencement of the said work or such better condition, at its sole cost and expense. All such openings and installation and maintenance shall

be undertaken in strict compliance with the standards imposed by the N.J.B.P.U., any other regulatory agency, and all applicable Municipal Ordinances, with such work to be done in a careful, prudent and workmanlike manner, and within such time limitations as shall be best for the proper safeguard of the public.

- (b) Relocation. If at any time during the period of this Municipal consent, the Borough finds it necessary to alter or change the grade of any street, road or other public right-of-way or area, Elizabethtown shall, upon reasonable notice by the Municipality, remove and relocate its distribution line and pipes at the expense of Elizabethtown.
- (c) Restoration. In the event that Elizabethtown shall refuse or neglect, after ten (10) days notice in writing by the representative of the Borough, to restore any disturbed area at its cost and expense, and in compliance with all applicable Municipal Ordinances in effect at the time, to its pre-existing or better condition, any street, road, pavement, driveway or other improvements after having made an opening or excavation, the necessary work to accomplish such restoration may be done by the Borough, and thereafter, Elizabethtown shall be liable for the actual and necessary costs thereof, and shall immediately pay such costs to the Borough upon receiving notice thereof.
- (d) Preconditions to Undertaking Construction. Elizabethtown shall give to the Borough, through its duly designated representative, written notice of its intention to open or excavate any street or other public place in accordance with the Borough Ordinance regulating the excavation and opening of streets, roads and highways, with the exception that such notice requirement shall be waived in the event of an emergent circumstance such that such emergency will affect public health or safety. As soon as practically possible after the occurrence of such emergent circumstance, Elizabethtown shall give prompt written notice to the Borough of any emergency opening or excavation that Elizabethtown shall undertake.

### Section IV. Indemnification, Performance Bond, Liability.

(a) Indemnification. Elizabethtown, its successors and assigns, by the acceptance of the grants, rights and privileges conferred by this ordinance, shall at all times and does hereby and will indemnify and hold harmless, the Borough and all of its subsidiary agencies, officials and employees for any and all claims of whatsoever kind or nature arising from or relating to the construction, installation, maintenance, laying, repairing, inspecting, or altering of mains conductors, pipes and appurtenances thereto, and any other facilities, and including, but not by way of limitation, any damages, penalties, costs, attorney's fees and charges for personal injury, property damage or otherwise, based upon Elizabethtown's negligence or the negligence of its agents, servants, employees or independent contractors.

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(b) Performance Bond. Prior to the commencement or any construction or installation under this Municipal Consent, Elizabethtown shall execute and deliver to the Clerk of the Borough and subject to prior review and approval by the Borough Attorney, a Bond in the amount of \$10,000.00 guaranteeing the faithful performance of all of its obligations and undertakings under this Ordinance, which Bond shall be enlarged or renewed from time to time as the Borough may require.

- (c) Liability Insurance. Elizabethtown agrees to maintain and keep in full force and effect, at its sole expense, and at all times during the terms and duration of this Municipal Consent, sufficient liability insurance naming the Borough as an additional insured party on a primary and non-contributory basis, and insuring and indemnifying the Township against any loss by any such claim, suite, judgment, execution or as follows:
  - 1. Elizabethtown shall carry Workman's Compensation Insurance with Statutory
  - 2. Elizabethtown shall at all times, maintain a Comprehensive General Liability Insurance Policy and Automobile Insurance Policy, each with a single limit amount of \$1,000,000.00 covering liability for any death, personal injury, property damage or other liability arising out of its construction and operation of the gas distribution systems herein and in addition, an excess liability (or "umbrella") policy in the amount of \$3,000,000.00. There shall be an annual aggregate coverage limit of no less than \$2,000,000.00.
  - 3. Elizabethtown shall furnish to the Borough a certified copy or Certificate of Insurance of each of the Policies as set forth herein. Elizabethtown shall further furnish to the Borough a certified copy or Certificate of Insurance of each of the Policies as set forth herein for any subcontractor it may utilize prior to that subcontractor performing any work within the Borough.

## Section V. Duration of Consent.

Term. The Municipal consent granted to Elizabethtown herein is for a period of ten (10) years from the effective date of this Ordinance.

## Section VI. Severability.

If the provision of any article, section, subsection, paragraph, subdivision or clause of this Ordinance shall be judged invalid by any Court or Competent jurisdiction, such Order or Judgment shall not effect or invalidate this remainder of any such article, section, subsection, paragraph or clause, and, to this end, the provisions of this Ordinance are hereby declared to be severable.

## Section VII. Effective Date.

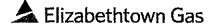
This Municipal Consent Ordinance shall become effective upon adoption and publication according to law, and only upon written acceptance of this Municipal Consent by Elizabethtown, which written consent shall be filed with the Clerk of the Municipality within thirty (30) days of the date after which Elizabethtown receives notice of the passage of this Ordinance.

NOTICE IS HEREBY GIVEN that the foregoing Ordinance was adopted on April 17, 2018, at a regular meeting of the Borough Council at the Washington Borough Municipal Building; 100 Belvidere Avenue; Washington, New Jersey.

Laurie A. Barton, RMC

Borough Clerk

# Exhibit C



Mary Patricia Keefe Vice President, External Atteirs and Business Support 520 Green Lane Union, NJ 07063 908 662 8452 fel 908 358 9671 cell pkeefe@southernco.com

May 2, 2018

Laurie A. Barton, CMR WASHINGTON BORO 100 Belvidere Avenue Washington, NJ 07882

Re: Elizabethtown Gas - Franchise in Washington Borough

Dear Ms. Barton:

On behalf of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown Gas"), please allow this letter to confirm that Elizabethtown Gas accepts the terms of the Ordinance granting to Elizabethtown Gas the municipal consent to provide natural gas service to the Borough of Washington, which Ordinance was passed on second reading by the Council at the April 17, 2018 Council Meeting. Please file this acceptance letter in your records. Thank you for your courtesies throughout this matter.

Very truly yours,

Mary Patricia Keefe

MPK/

## Exhibit D



520 Green Lane Union NJ 07083 T 908 682 8452

F 908 562 8496

MKeefe@sjindustnes.com

Mary Pstricia Keefe Vice President, Regulatory Affairs and Business Support

By Certified Mail, R.R.R.

August 28, 2018

Laurie Barton, Clerk Borough of Washington Washington Borough Office 100 Belvidere Avenue Washington, NJ 07882-1426

Stave Marvin, County Administrator/Freeholder Clerk Warren County Wayne Durnont Jr. Administration Building 165 County Route 519 South Belvidere, NJ 07823-1949

Re:

I/M/O The Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for the Approval of a Municipal Consent Renewing a Franchise in the Borough of Washington, Warren County BPU Docket No. GE18060878

Dear Ms. Barlon and Mr. Marvin:

Pursuant to the provisions of N.J.S.A. 48:2-14, Elizabethtown Gas Company ("Elizabethtown") has applied to the New Jersey Board of Public Utilities ("the Board") for approval of the Borough of Washington's Ordinance, which renews Elizabethtown's franchise in the Borough of Washington as provided in said Ordinance. Please also note that the Elizabethtown's name has changed from "Pivotal Utility Holdings, Inc. d/b/s Elizabethtown Gas" to "Elizabethtown Gas Company" as a result of the acqualition of the Company by South Jersey Industries, Inc. on July 1, 2018.

Please be advised that the Board has set Thursday, September 27, 2018 at 10:00 a.m. in Room 2W in the Board's offices located at 44 South Clinton Avenue, Trenton, New Jersey 07102 as the time and place for the hearing on this matter. You are welcome to attend and place your views on the record if you desire.

Respectfully submitted,

Jo Mary Patricia Keefe Mary Patricia Keefe, Esq.

Service List via Federal Express

CC: