



Agenda Date: 11/18/20
Agenda Item: IIG

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 RESOLUTION OF THE)
BOROUGH OF UNION BEACH, MONMOUTH) ORDER APPROVING RENEWAL
COUNTY, NEW JERSEY AUTHORIZING) OF FRANCHISE AGREEMENT
RENEWAL OF THE FRANCHISE AGREEMENT)
WITH NEW JERSEY NATURAL GAS COMPANY) DOCKET NO. GE20030259

Parties of Record:

Andrew K. Dembia, Esq., New Jersey Natural Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

New Jersey Natural Gas Company (“NJNG” or “Company”), a regulated 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 distribution and transportation of natural gas to approximately 530,000 residential, commercial and industrial customers located in Monmouth and Ocean Counties, and parts of Middlesex, Burlington, and Morris counties in New Jersey.

NJNG currently provides gas service within the Borough of Union Beach (“Borough”) to 2,187 residential customers and 78 commercial customers. The Company’s franchise to use the streets within the Borough for the provision of gas service expired on March 27, 2019.¹ On February 21, 2019, pursuant to Resolution No. 2019-54 (“Resolution”), the Borough renewed its franchise and granted NJNG continued permission to lay, maintain and operate its gas facilities in the Borough for a period of 50 years. A copy of the Resolution is attached to this Order as Exhibit “A”. By letter dated March 14, 2019, the Company accepted and agreed to the terms of the Resolution consistent with N.J.S.A. 48:3-16. Copies of the letter of acceptance and the hearing notice are attached to this Order as Exhibits “B” and “C”, respectively.

¹ The Board notes that franchise agreements 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, NJNG has continued to provide service to its customers within the Borough in an uninterrupted manner.

On March 18, 2020, NJNG filed a petition with the Board, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, seeking approval of the franchise renewal agreement granted by the Borough. As required by law and after notice, a hearing in this matter was held on August 18, 2020. Suzanne Patnaude, Esq., the Board's duly appointed hearing officer, presided over the hearing. 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 matter.

At the hearing, the Company relied upon its petition and exhibits filed with the Board, and presented the testimony of Joseph Puglisi, its Supervising Engineer. According to Mr. Puglisi's testimony and discovery responses, NJNG anticipates growth in the Borough of approximately 20 to 25 customers annually over the next five (5) years. Mr. Puglisi testified that the Company has the capacity to meet the existing and future needs of customers located within the Borough.

Rate Counsel, in its written comments to the petition dated October 2, 2020, indicated that it did not object to the Company's petition since the Company represented that it has the capacity necessary to continue to provide natural gas service to the Borough. Rate Counsel also noted that the term of the municipal consent related to the use of streets is limited to the statutory maximum term of 50 years. However, Rate Counsel requested that approval of the petition include certain restrictions, which are incorporated in this Order.

DISCUSSION AND FINDINGS

After careful review and consideration of the petition and exhibits submitted in this matter, the Board **HEREBY FINDS** that the renewal of the franchise agreement granted to NJNG by the Borough of Union Beach is necessary and proper for the public convenience and properly serves the public interest, and that NJNG 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 Borough to continue to provide adequate and appropriate service to its existing and future customers, and that the 50-year duration of the franchise agreement 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 franchise granted to NJNG 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 50 years.

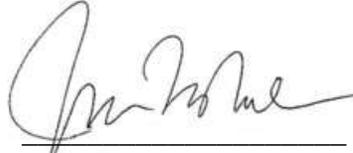
The approval granted hereinabove shall be subject to the following provisions:

1. As required by N.J.S.A. 48:3-15, 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 50 years.
2. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of any tangible or intangible assets now owned or hereafter to be owned by NJNG.
3. This Order shall not affect, nor in any way limit, the exercise of the authority of this 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 matter affecting NJNG.

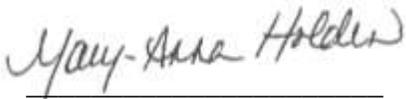
This Order shall be effective on November 28, 2020.

DATED: November 18, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE RESOLUTION OF THE BOROUGH OF UNION BEACH, MONMOUTH COUNTY, NEW JERSEY, AUTHORIZING RENEWAL OF THE FRANCHISE AGREEMENT WITH NEW JERSEY NATURAL GAS COMPANY

DOCKET NO. GE20030259

SERVICE LIST

NJNG

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Wall, NJ 07719

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David Brown
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Borough of Union Beach

Anne Marie Friscia
Borough Clerk
Borough of Union Beach
650 Poole Avenue
Union Beach, NJ 07735
boroughclerk@unionbeachnj.gov

Marion Masnick, Clerk of the Board
Monmouth County Board of Freeholders
Monmouth County Hall of Records
One East Main Street
Post Office Box 1255
Freehold, NJ 07728
mmasnick@co.monmouth.nj.us

Christine Giordano Hanlon, County Clerk
Monmouth County Market Yard
33 Mechanic Street
Freehold, NJ 07728
countyclerk@co.monmouth.nj.us

Exhibit A: Resolution

Borough of Union Beach

RESOLUTION 2019-54: FEBRUARY 21, 2019
A RESOLUTION AUTHORIZING RENEWAL OF THE FRANCHISE
AGREEMENT WITH NEW JERSEY NATURAL GAS COMPANY

WHEREAS, New Jersey Natural Gas Company has heretofore been granted a franchise and consent to lay, maintain and operate gas facilities in the Borough of Union Beach; and

WHEREAS, New Jersey Natural Gas Company is desirous of obtaining a franchise and consent of the municipality to continue serving the municipality.

NOW, THEREFORE, BE IT RESOLVED, that the Borough of Union Beach hereby consents and authorizes New Jersey Natural Gas Company to lay, maintain and operate for a period of fifty (50) years from the date hereof, its conductors, mains and pipes together with all appurtenances thereto, in, under and over all the public streets, alleys, squares and public places in the Borough of Union Beach for the purpose of conducting, transmitting and distributing gas or any mixture of gases of various types, including natural gas, upon the following terms and conditions and rules, regulations and ordinances of the Borough of Union Beach:

1. That New Jersey Natural Gas Company shall agree that, in all cases in which street openings or excavations are made for the purposes aforesaid, the pavement and the surface of the streets, alleys, squares or roadways shall be restored to the same condition as existed prior to the opening thereof; and
2. That New Jersey Natural Gas Company shall conduct the work or the laying or maintaining of gas pipes therein in a careful and prudent manner; and
3. That New Jersey Natural Gas Company shall safeguard the public interest in continuous and uninterrupted service at and after the expiration of the term of the grant; and
4. That New Jersey Natural Gas Company shall maintain its property in good order throughout the full term of the grant; and
5. That New Jersey Natural Gas Company shall continuously afford safe, adequate and proper service at just and reasonable rates.

BE IT FURTHER RESOLVED, that this franchise consent, upon approval of the Board of Public Utilities of the State of New Jersey, shall supersede the Resolution granted by the Borough of Union Beach on March 27, 1969; and

BE IT FURTHER RESOLVED, that New Jersey Natural Gas Company shall file with the clerk of this municipality within sixty (60) days from the date hereof, its acceptance of the terms and provisions of the franchise consent herein granted and its agreement to be bound by the terms and provisions thereof; and

BE IT FURTHER RESOLVED, that this resolution shall not become effective unless and until it is approved by the Board of Public Utilities of the State of New Jersey.

	Moved	Seconded	Ayes	Nays	Absent	Abstain
Mr. Wicki	X		X			
Ms. Roche			X			
Mr. Cavallo					X	
Mr. Lewandowski			X			
Mr. Andreuzzi			X			
Mr. Cocuzza		X	X			

CERTIFICATION

I, ANNE MARIE FRISCIA, MUNICIPAL CLERK OF THE BOROUGH OF UNION BEACH, IN THE COUNTY OF MONMOUTH, AND STATE OF NEW JERSEY DO HEREBY CERTIFY THAT THE FOLLOWING RESOLUTION IS A TRUE AND CORRECT COPY OF THE ORIGINAL RESOLUTION DULY PASSED AND ADOPTED BY THE GOVERNING BODY OF THE BOROUGH OF UNION BEACH, AT THEIR MEETING OF FEBRUARY 21, 2019.


 ANNE MARIE FRISCIA, BOROUGH CLERK

Exhibit B: Letter of Acceptance



March 14, 2019

VIA FEDERAL EXPRESS

Anne Marie Friscia, Borough Clerk
Borough of Union Beach
650 Poole Avenue
Union Beach, New Jersey 07735

**Re: RESOLUTION OF THE COUNCIL OF THE BOROUGH OF
UNION BEACH, MONMOUTH COUNTY, NEW JERSEY,
AUTHORIZING RENEWAL OF THE FRANCHISE AGREEMENT
WITH NEW JERSEY NATURAL GAS COMPANY
RESOLUTION NO. 2019-54**

Dear Ms. Friscia:

New Jersey Natural Gas Company ("NJNG") hereby accepts the terms and provisions of the franchise consent granted by the Council of the Borough of Union Beach on February 21, 2019 and hereby agrees to be bound by the terms and provisions thereof. See Resolution No. 2019-54 (the "Resolution") herein enclosed.

NJNG will submit the Resolution to the New Jersey Board of Public Utilities (the "BPU") for approval and provide you with advance notice of the BPU hearing on this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Alex Gonzalez', is written over a light blue horizontal line.

Alex Gonzalez, Esq.
Assistant General Counsel

AG:km
enclosure

204184

1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719 Phone: 800-221-0051 www.njng.com

Exhibit C: Hearing Notice



July 29, 2020

BY ELECTRONIC MAIL

Anne Marie Friscia, Borough Clerk
Borough of Union Beach
650 Poole Avenue
Union Beach, New Jersey 07735

Marion Masnick, Clerk of the Board
Monmouth County Board of Freeholders
Monmouth County Hall of Records
One East Main Street
P.O. Box 1255
Freehold, New Jersey 07728

Christine Giordano Hanlon, County Clerk
Monmouth County Market Yard
33 Mechanic Street
Freehold, New Jersey 07728

RE: In the Matter of the Petition of New Jersey Natural Gas Company for the Approval of a Municipal Franchise in the Borough of Union Beach, Monmouth County BPU Docket No. GE20030259

Dear the Parties Addressed:

Pursuant to the provisions of N.J.S.A. 48:2-14, New Jersey Natural Gas Company ("NJNG") has applied to the New Jersey Board of Public Utilities ("Board") for approval of the Borough of Union Beach's ("Borough") Resolution No. 2019-54, which granted NJNG permission to continue to provide natural gas service in the Borough as provided in said Resolution. Please be advised that the Board has set August 18, 2020 at 10:00am-12:30pm EST, as the date and time for the Municipal Consent Hearing. Due to the COVID-19 pandemic, this Municipal Consent Hearing will be held via Zoom. The Zoom log-in information is as follows:

<https://zoom.us/j/2458136397?pwd=V3ZURkMxRnhDVk43SFEybGZsRktFZz09>
Passcode: 871017

My assistant, Susan Fastuca is the Zoom meeting organizer. A Zoom meeting invitation will be sent to you in advance of the scheduled date for this Municipal Consent Hearing. You are welcome to participate in the Zoom meeting to put your views on the record if you so desire. Also, notice of the hearing is posted on the Company's web site, njng.com, so interested members of the public may view the hearing.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K. Dembia'.

Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

AKD:sf
C: Service List

1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719 Phone: 800-221-0051 www.njng.com