



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

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) ORDER APPROVING RENEWAL
BOROUGH OF SPRING LAKE HEIGHTS,) OF FRANCHISE AGREEMENT
MONMOUTH COUNTY, NEW JERSEY)
AUTHORIZING RENEWAL OF THE FRANCHISE)
AGREEMENT WITH NEW JERSEY NATURAL)
GAS COMPANY) DOCKET NO. GE20030260

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, parts of Middlesex, Burlington, and Morris counties in New Jersey.

NJNG currently provides gas service within the Borough of Spring Lake Heights (“Borough”) to 2,238 residential customers and 289 commercial customers. The Company’s franchise to use the streets within the Borough for the provision of gas service expired on April 28, 2019.¹ On March 25, 2019, pursuant to Resolution No. R2019-68 (“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 April 26, 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 17, 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 on 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 5 to 10 customers annually over the next five (5) years. Mr. Puglisi also 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 does 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 Spring Lake Heights 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 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 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.

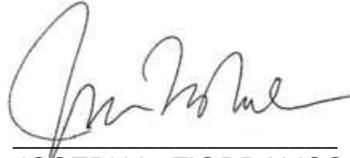
The approval granted hereinabove shall be subject to the following provisions:

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.

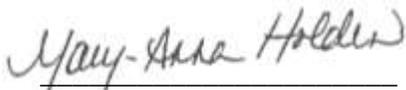
This Order shall be effective on November 28, 2020.

DATED: November 18, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

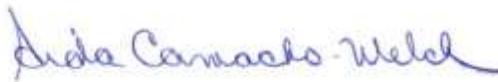


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE RESOLUTION OF THE BOROUGH OF SPRING LAKE HEIGHTS,
MONMOUTH COUNTY, NEW JERSEY, AUTHORIZING RENEWAL OF THE FRANCHISE
AGREEMENT WITH NEW JERSEY NATURAL GAS COMPANY

DOCKET NO. GE20030260

SERVICE LIST

NJNG

1415 Wyckoff Road
Post Office Box 1464
Wall, NJ 07719

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mkahrer@njng.com

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Regulatory Affairs Counsel
adembia@njng.com

Rate Counsel

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Michael Beck, DAG
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Board of Public Utilities

44 South Clinton Avenue, 9th Floor
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Trenton, NJ 08625-0350

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Secretary of the Board
board.secretary@bpu.nj.gov

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Division of Energy

Stacy Peterson, Director
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David Brown
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Borough of Spring Lake Heights

Janine Gillis, Borough Clerk
Registrar of Vital Statistics
Borough of Spring Lake Heights
555 Brighton Avenue
Spring Lake Heights, NJ 07762
jgillis@springlakehehts.com

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 SPRING LAKE HEIGHTS

555 BRIGHTON AVENUE
 SPRING LAKE HEIGHTS, NJ 07762
 (732) 449-3500 Fax: (732) 449-3535
 www.springlakehts.com

TRANSMITTAL

DATE
 March 26, 2019

TO:

RE: **Franchise Agreement**

New Jersey Natural Gas
 New Jersey Resources Corp.
 Attention: Kim McCusker
 1415 Wyckoff Road
 Wall, New Jersey 07719

DELIVERY	
<input checked="" type="checkbox"/> Regular Mail	<input type="checkbox"/> FedEx <input type="checkbox"/> Messenger
<input type="checkbox"/> Certified Mail, Receipt #	
<input type="checkbox"/>	

WE ARE SENDING YOU		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/> Items as noted below		

ITEM	COPIES	DATE	DESCRIPTION
1	1	March 25, 2019	Certified copy of Resolution No. R2019-68, authorizing the renewal of franchise agreement

THESE ARE TRANSMITTED		
<input type="checkbox"/> As Requested	<input type="checkbox"/> Approved as Submitted	<input type="checkbox"/> Resubmit ___ copies for Approval
<input type="checkbox"/> For Approval	<input type="checkbox"/> Approved as Noted	<input type="checkbox"/> Submit ___ copies for Distribution
<input checked="" type="checkbox"/> For Your Use	<input type="checkbox"/> Returned for Revision	<input type="checkbox"/> Return ___ Corrected Prints
<input type="checkbox"/> For Review and Comment	<input type="checkbox"/> For Your Signature	<input type="checkbox"/> Return upon completion
<input type="checkbox"/> Other:		

REMARKS

Janine Gillis
Janine Gillis
 Borough Clerk
 boroughclerk@springlakehts.com

BOROUGH OF SPRING LAKE HEIGHTS

A resolution authorizing renewal of the franchise agreement with
New Jersey Natural Gas Company

Resolution No. R2019-68

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 Spring Lake Heights; 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 RESOVED, that New Jersey Natural Gas Company be and it is hereby authorized to lay, maintain and operate its conductors, mains and pipes, together with the appurtenances thereto, in all public streets, alleys, squares and public places in this municipality which are under the control and jurisdiction of the Borough of Spring Lake Heights for the purpose of conducting gas, including natural gas, or any mixture of gases of various types and for the purpose of transmitting and distributing such gas in this municipality for a period of fifty (50) years from the date hereof, upon the following terms and conditions:

1. That New Jersey Natural Gas Company agrees that in all cases in which street openings or excavations are made, for the purposes aforesaid, the pavement and surface of the streets, alleys, squares or roadways shall be restored as required by the ordinances of the Borough of Spring Lake Heights; 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 RESOVED, 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 Spring Lake Heights on April 28, 1969; and

BE IT FURTHER RESOLVED, that the 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.

Adopted: March 25, 2019



Janine Gillis
Borough Clerk, Registrar of Vital Statistics

I certify the foregoing to be a true and accurate copy of a resolution adopted by the Borough of Spring Lake Heights on March 25, 2019.



Janine Gillis
Borough Clerk, Registrar of Vital Statistics

Exhibit B: Letter of Acceptance



April 26, 2019

VIA FEDERAL EXPRESS

Ms. Janine Gillis, Borough Clerk
Registrar of Vital Statistics
Borough of Spring Lake Heights
555 Brighton Avenue
Spring Lake Heights, New Jersey 07762

**Re: RESOLUTION OF THE BOROUGH OF SPRING LAKE HEIGHTS,
MONMOUTH COUNTY, NEW JERSEY, AUTHORIZING
RENEWAL OF THE FRANCHISE AGREEMENT WITH NEW
JERSEY NATURAL GAS COMPANY
RESOLUTION NO. R2019-68**

Dear Ms. Gillis:

New Jersey Natural Gas Company ("NJNG") hereby accepts the terms and provisions of the franchise consent granted by the Borough of Spring Lake Heights on March 25, 2019, and hereby agrees to be bound by the terms and provisions thereof. See Resolution No. R2019-68 (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 horizontal line.

Alex Gonzalez, Esq.
Assistant General Counsel

AG:km
Enclosure

208606

1415 Wyckoff Road P.O. Box 1454 Wall, NJ 07719 Phone: 800 221-0051 www.njng.com

Exhibit C: Hearing Notice



July 29, 2020

BY ELECTRONIC MAIL

Janine Gillis, Borough Clerk
Registrar of Vital Statistics
Borough of Spring Lake Heights
555 Brighton Avenue
Spring Lake Heights, New Jersey 07762

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 Spring Lake Heights, Monmouth County BPU Docket No. GE20030260

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 Spring Lake Heights' ("Borough") Resolution No. R2019-68, 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,


Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

AKD:sf
C: Service List

1415 Wyckoff Road P.O. Box 1484 Wall, NJ 07719 Phone: 800-221-0051 www.njng.com