



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENGINEERING

IN THE MATTER OF THE PETITION OF NEW)
JERSEY NATURAL GAS FOR APPROVAL OF A)
MUNICIPAL FRANCHISE IN THE TOWNSHIP OF)
CHESTER, MORRIS COUNTY) DOCKET NO. GE25070390

Parties of Record:

Andrew K. Dembia, Esq., V.P. Regulatory Affairs Counsel, New Jersey Natural Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board”) considers a petition filed by New Jersey Natural Gas Company (“NJNG” or “Company”) on July 18, 2025, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, seeking approval of a municipal consent adopted by the Township of Chester (“Township” or “Chester”) via Ordinance No. 2025-12 (“Municipal Consent”), granting the Company authority to provide natural gas service to the Township (“Petition”).¹

BACKGROUND

NJNG is a regulated public utility corporation engaged in the distribution and transportation of natural gas within the State of New Jersey. NJNG distributes natural gas and provides transportation services at retail to over 585,000 residential, commercial and industrial customers in Monmouth and Ocean counties and parts of Middlesex, Burlington and Morris Counties.

On July 15, 2025, the Township adopted Ordinance No. 2025-12, granting permission to NJNG to use the public roads, streets, and places which are under the jurisdiction of the Township necessary to serve the Township. The Municipal Consent limits the franchise to use the roads and streets of the Township to fifty (50) years.

PETITION

By the Petition, NJNG sought Board approval of the Municipal Consent granting the Company a franchise to provide gas service to the Township. The Company did not, as part of its requests in the Petition, seek any ratemaking treatment relative to the Municipal Consent. NJNG noted

¹ Ordinance No. 2025-12 is attached to this Order as Exhibit A.

that permitting the provision of natural gas services to Chester is necessary and proper for the public convenience and properly conserves the public interest.

On October 28, 2025, the Board held a duly noticed virtual public hearing on the Petition, presided over by Rachel Boylan, Regulatory Officer. Representatives from the Company, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff appeared. No members of the public attended, and the Board received no written public comments in this matter.

By letter dated January 23, 2026, Rate Counsel submitted comments on the Petition noting that, subject to certain conditions, it did not oppose the request for approval of the Municipal Consent. Rate Counsel also recommended that the Board condition its approval on the requirement that transaction costs cannot be recovered in rates; namely, that there be no authorization to include any specific assets or amounts in rate base, or authorization for any other ratemaking treatment.

DISCUSSION AND FINDINGS

No municipality or other political subdivision of the State may grant a privilege or franchise to any public utility unless approved by the Board. N.J.S.A. 48:2-14. The Board should grant approval when, after hearing, the Board determines the franchise is necessary and proper for the public convenience and properly conserves the interests of the public. Ibid. The Board may impose conditions on its approval as the public convenience and interest may require. Ibid.

The Board, having reviewed the Petition and the entire record in this matter, **HEREBY FINDS** the Municipal Consent is necessary and proper for the public convenience and properly conserves the public interest.

Accordingly, the Board **HEREBY APPROVES** the Municipal Consent and the expansion of NJNG’s service territory to include the customers in the Township. The Board **FURTHER FINDS** that the Company has the ability to provide safe, adequate, and proper service to the Township. The approvals granted above shall be subject to the following provisions:

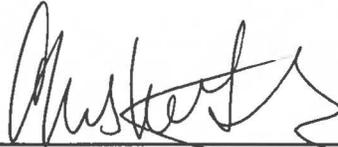
1. As required by N.J.S.A. 48:3-15, and limited by the Ordinance, the Municipal Consent to construct, maintain and operate gas lines in the streets and other public places in the Township is limited to a term not exceeding fifty (50) years.
2. This Order shall not affect or in any way limit the exercise of the authority of the Board, or of the State, with regard to any future petition or in any proceeding with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any matter affecting the Company.
3. This Order shall not be construed as directly or indirectly fixing, for any purposes whatsoever, any value of any tangible or intangible assets or liabilities now owned or hereafter to be owned by the Company.
4. Approval of this Municipal Consent does not constitute approval by the Board of any costs or expenses associated with the 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 of 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.

5. Approval of the Municipal Consent does not constitute approval of any specific main extension or plan for service. In extending service, the Company must comply with all applicable laws.

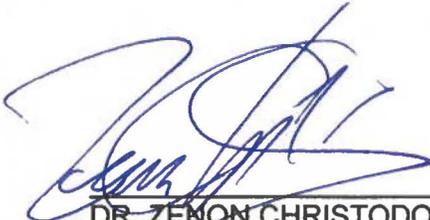
This Order shall be effective on March 11, 2026.

DATED: March 4, 2026

BOARD OF PUBLIC UTILITIES
BY:



CHRISTINE GUHL-SADOVY
PRESIDENT



DR. ZENON CHRISTODOULOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER



EMMA REBHORN
COMMISSIONER



JOSEPH COVIELLO
COMMISSIONER

ATTEST:



SHERRI L. LEWIS
BOARD 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 NEW JERSEY NATURAL GAS FOR APPROVAL OF A MUNICIPAL
FRANCHISE IN THE TOWNSHIP OF CHESTER, MORRIS COUNTY

DOCKET NO. GE25070390

SERVICE LIST

New Jersey Natural Gas Company

1415 Wyckoff Road
Wall, NJ 07719

Mark Kathrer
Senior V.P. Regulatory Affairs
mkahrer@njng.com

Andrew Dembia, Esq.
Regulatory Affairs Counsel
adembia@njng.com

Tina Trebino
ttrebino@njng.com

James Corcoran
jcorcoran@njng.com

Judy DeSalvatore
jDesalvatore@njng.com

Marianne Harrell
mharrell@njng.com

Christopher Micak
CMicak@njng.com

Ryan Moran
rmoran@njng.com

Susan Sette
ssette@njng.com

Colleen Shaw
cshaw@njng.com

Division of Law

R.J. Hughes Justice Complex, 7th Floor
25 Market Street, P.O. Box 112
Trenton, N.J. 08625

Pamela L. Owen, Assistant Section Chief, DAG
pamela.owen@law.njoag.gov

Jack Ventura, DAG
jack.ventura@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri L. Lewis, Board Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Division of Engineering

Dean Taklif, Director
dean.taklif@bpu.nj.gov

John Masiello, Deputy Director
john.masiello@bpu.nj.gov

Nisa Rizvi
nisa.rizvi@bpu.nj.gov

Counsel's Office

Ava Marie Madeam, General Counsel
avamarie.madeam@bpu.nj.gov

Elsbeth Hans, Deputy General Counsel
elsbeth.hans@bpu.nj.gov

Heather Weisband, Senior Counsel
heather.weisband@bpu.nj.gov

Division of Rate Counsel

140 East Front Street, 4th Floor
Trenton, NJ 08625-0003

Brian Lipman, Esq., Director
blipman@rpa.nj.gov

Maura Caroselli, Esq.
mcaroselli@rpa.nj.gov

Mamie W. Purnell, Esq.
mpurnell@rpa.nj.gov

Michael Lombardi, Esq.
mlombardi@rpa.nj.gov

Joy Carter, Paralegal
jcarter@rpa.nj.gov

Introduction: June 17, 2025
Public Hearing: July 15, 2025

**TOWNSHIP OF CHESTER
ORDINANCE NO. 2025-12**

**AN ORDINANCE GRANTING NEW JERSEY NATURAL GAS NON-EXCLUSIVE
FRANCHISE RIGHTS TO PROVIDE NATURAL GAS WITHIN
CHESTER TOWNSHIP, MORRIS COUNTY, NEW JERSEY**

WHEREAS, the Township of Chester wants to grant New Jersey Natural Gas Company, a non-exclusive right to a franchise to provide natural gas within the Township for light, heat, and power and franchise rights to lay and maintain gas mains, pipes and service pipes, in and under the surface of any of the roads, streets, avenues, highways, public and private places, for the purpose of furnishing natural gas therein; and

WHEREAS, New Jersey Natural Gas Company is desirous of obtaining consent of the municipality to provide natural gas services to the Township; and

SECTION 1.

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

1. The New Jersey Natural Gas Company shall report to the Township department of public works and the Township engineer, yearly, its intentions with regard to

prospective work requiring future street openings in the Township for the purpose of coordinating such activity with pavement projects anticipated by the Township.

2. The 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. The restoration shall include milling and repaving of the area so as to be uniform with the adjacent roadway, including restoration of pavement markings, signage and all other appurtenances. The Township engineer is authorized to demand a cash escrow or equivalent in an amount of \$10,000.00 per disturbed street, or such other amount as determined by the Township engineer to insure that any road opening is restored to the satisfaction of the Township engineer.
3. The New Jersey Natural Gas Company shall conduct the work or the laying or maintaining of gas pipes therein in a careful and prudent manner.
4. The New Jersey Natural Gas Company shall file with the Clerk of the Township, within sixty (60) days of the date hereof, its written acceptance of the terms and provisions of the franchise consent granted herein and its agreement to be bound by the terms and provisions thereof.
5. All Township officials including, but not limited to, the Mayor, Township Engineer, Superintendent of the Department of Public Works, Municipal Clerk and Treasurer are hereby authorized and directed to take such ministerial actions as are necessary to effectuate the provisions of this ordinance.

6. Before providing service to an area, New Jersey Natural Gas Company shall obtain the written permission of the Clerk of the Township to proceed.
7. This non-exclusive franchise is for all of the Township, including but not limited to areas not serviced by any other franchise holder and shall include but be not limited to the areas of:
 - Ann Lane
 - Catan Drive
 - Golf Course Road
 - Ironia Road
 - Jefferson Street
 - Reger Road Selma
 - Boulevard Wilson
 - Avenue
 - Pleasant Hill Road (from intersection with Flanders Road northward).
8. The New Jersey Natural Gas Company shall obtain any and all approvals and permissions required by the New Jersey Board of Public Utilities.
9. 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.
10. The New Jersey Natural Gas Company shall satisfy all Statutory requirements of N.J.S.A. 48:13-1 et seq. regarding the proper organization and operation of 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 Township of Chester.
11. The New Jersey Natural Gas Company 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 right-of-way within the Township wherein its lines are located.

12. The construction, operation and maintenance of the gas distribution system within the rights-of-way of the Township shall in no way place any obligation, financial or otherwise, or any liability of any kind, upon the Township and no obligation is to attach for the construction, operation and maintenance of the said gas distribution system to the Township.
13. Any and all regulating pits and venting structures or like facilities shall not be located along the public rights-of-way comprising the Service Area.

SECTION 2. Construction; Installation; Restoration.

1. Construction. In each and every case in which road openings or excavation of any nature are required or made for the purposes aforesaid, New Jersey Natural Gas Company 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 Township Ordinances, with such work to be done in a careful, prudent and workmanlike manner, and within such time limits as shall be best for the proper safeguard of the public.
2. Relocation. If at any time during the period of this consent, the Township finds it necessary to alter or change the grade of any street, road or other public right-of-

way or area, New Jersey Natural Gas Company shall, upon reasonable notice by the Township, remove and relocate its distribution line and pipes at the expense of New Jersey Natural Gas Company.

3. Restoration. In the event that New Jersey Natural Gas Company shall refuse or neglect, after ten (10) days' notice in writing by the representative of the Township, 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 reserves after having made an opening or excavation, the necessary work to accomplish such restoration may be done by the Township and thereafter, New Jersey Natural Gas Company shall be liable for the actual and necessary costs thereof, and shall immediately pay such costs to the Township upon receiving notice thereof.
4. Preconditions to Undertaking Construction. New Jersey Natural Gas Company shall give to the Township, through its duly designated representative, prior written notice of its intention to open or excavate any street or other public place in accordance with the Township 's 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, New Jersey Natural Gas Company shall give prompt written notice to the Township of any emergency opening or excavation that New Jersey Natural Gas Company shall undertake.

SECTION 3. Indemnification, Performance Bond, Liability.

1. Indemnification. The New Jersey Natural Gas Company, 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 Township 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 maintains 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 New Jersey Natural Gas Company's negligence or the negligence of its agents, servants, employees or independent contractors.
2. Liability Insurance. New Jersey Natural Gas Company 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 Township as an additional insured party, and insuring and indemnifying the Township against any loss by any such claim, suit, judgment, execution or as follows:
 - (a) New Jersey Natural Gas Company shall carry Workman's Compensation Insurance with Statutory limits.
 - (b) New Jersey Natural Gas Company shall at all times, maintain a Comprehensive General Liability Insurance Policy 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.

(c) New Jersey Natural Gas Company shall furnish to the Township a certified copy of a Certificate of Insurance of each of the Policies as set forth herein.

SECTION 4. Duration of Consent.

1. Term. The Municipal consent granted to New Jersey Natural Gas Company herein is for a period of fifty (50) years from the effective date of this Ordinance.
2. Public Hearing. Immediately prior to the fifty (50) year expiration of this Consent, the Township shall conduct public hearings regarding the performance of New Jersey Natural Gas Company with the terms of this Municipal Consent. The public hearing shall be duly advertised and shall provide any opportunity for all interested persons to participate.
3. Extension. Upon the conclusion of the public hearings as set forth herein, the Township shall consider such extension and such additional conditions as the record of the public hearings may warrant.
4. Notice of Proceedings. New Jersey Natural Gas Company shall give the Township timely written notice of at least fifteen (15) days in advance of all proceedings initiated by New Jersey Natural Gas Company or the N.J.B.P.U. or other Regulatory Agency, when such proceedings may affect the commitments, this Municipal Consent or relationship between New Jersey Natural Gas Company and the Township, whether or not such notice is required by law. All submissions

provided to such Regulatory Agency by New Jersey Natural Gas Company shall also be provided to the Township.

SECTION 5. 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 6. 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 the Township, which written acceptance shall be filed with the Clerk of the Municipality within thirty (30) days of the date after which New Jersey Natural Gas Company receives notice of the passage of this Ordinance.

This Ordinance shall take effect immediately upon final adoption and publication according to law, and approval of the franchise hereby granted by the New Jersey Board of Public Utilities.

ATTEST:

TOWNSHIP COUNCIL OF THE
TOWNSHIP OF CHESTER

<R.96in Co{fins
Robin Collins
Municipal Clerk/Administrator

rtimotliy <Drag
Timothy Drag
Mayor

I hereby certify the foregoing to be a true copy of a resolution/ordinance adopted by the Township Council of the Township of Chester at a meeting held on d/O:;- .