



Agenda Date: 6/7/10  
Agenda Item: 6B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

RELIABILITY AND SCURITY

IN THE MATTER OF THE PETITION OF NEW JERSEY )  
NATURAL GAS COMPANY FOR AUTHORIZATION )  
AND APPROVAL FOR CONSTRUCTION OF A )  
PROPOSED 24 INCH PIPELINE IN THE TOWNSHIPS )  
OF TOMS RIVER, MANCHESTER AND BERKELEY, )  
OCEAN COUNTY, PURSUANT TO N.J.A.C. 14:7-1.4 )  
ET SEQ. ) DOCKET NO. GO10040250

Tracey Thayer, Esq., Wall, New Jersey, on behalf of New Jersey Natural Gas Company,  
Petitioner

Kenneth B. Fitzsimmons, Esq., Point Pleasant Beach, New Jersey, on behalf of the Township of  
Toms River

BY THE BOARD:

New Jersey Natural Gas Company ("Petitioner" or "NJNG") is a New Jersey public utility engaged in the business of purchasing, distributing, transporting, and selling natural gas to approximately 489,000 customers within its service areas in Monmouth and Ocean counties, and parts of Morris, Middlesex and Burlington counties. On April 5, 2010, Petitioner filed a petition with the Board of Public Utilities ("Board") pursuant to N.J.A.C. 14:7-1.4 and a Board Order dated April 28, 2009, in Docket Nos. EO09010049, GO09010052 and GR07110889, related to the Accelerated Energy Infrastructure Investment Program ("AIP"), seeking authorization and approval from the Board to construct and operate approximately 6.9 miles of 24-inch natural gas transmission pipeline (the "Toms River Loop" or "Pipeline") with an alignment that runs through portions of the Townships of Toms River, Manchester, and Berkeley in Ocean County. NJNG anticipates initiating construction of the Toms River Loop in mid-2010. This pipeline will be connected to a 3.3 mile section of previously installed 24-inch transmission pipeline constructed in 1989 and will be certified to a maximum allowable operating pressure ("MAOP") of 722 pounds per square inch gauge ("psig"). The cited rule provides that Board approval is required prior to the construction or operation of a natural gas pipeline that is intended to be operated in excess of 250 psig and is located within 100 feet of any building intended for human occupancy, and further requires that the pipeline satisfy the requirements of 49 C.F.R. 192 and N.J.A.C. 14:7 et seq. The proposed pipeline alignment includes 78 structures intended for human occupancy within 100 feet of the project of which 69 are residential and 9 are commercial. The closest building is a residential structure that will be 25 feet from the pipeline.

Petitioner has stated that the project is deemed necessary to provide adequate supply and reliability, specifically through the installation of a secondary feed to meet both the current and anticipated demands for natural gas usage in the southern portion of Ocean County, a growing area that currently relies on a single 12-inch transmission pipeline. Pursuant to the AIP Order, the construction of the proposed pipeline was previously approved as one of NJNG's Capital Improvement Recovery Tracker Qualifying Projects, subject to this proceeding.

On May 3, 2010, at 7:00 P.M., a public hearing in this matter, intended to afford members of the public with an opportunity to place a statement on the record regarding this Petition, was held at the Toms River Township Municipal Building located at 33 Washington Street, Toms River, New Jersey 08753. Edward D. Beslow, Esq., an attorney on Board Staff, served as the duly-designated Hearing Examiner. Michael Stonack, Chief, Bureau of Pipeline Safety, appeared on behalf of the Staff of the Board and Tracey Thayer, Esq., appeared on behalf of Petitioner. In addition, Kenneth B. Fitzsimmons, Esq, and Wendy Birkhead, the Township's attorney and assistant engineer, respectively, appeared on behalf of Toms River. Ms. Thayer introduced several exhibits, including the petition and affidavits of notice to the affected property owners and municipalities as well as newspaper publication, which were accepted and made part of the record. No member of the public appeared for the purpose of making a statement regarding this matter for the record.

Mr. Fitzsimmons indicated that Toms River was appreciative of Petitioner's willingness to provide the pertinent information regarding the pipeline with the Township in a timely manner which allowed the Township to be fully informed. As a result, Mr. Fitzsimmons indicated for the record that Toms River had no objection to the proposed project. After considering the Petition and reserving its right to examine this Project with the appropriate future Accelerated Energy Infrastructure Investment Program ("AIP") ratemaking treatment, Rate Counsel does not object to the granting of the Petition.

Board Staff reviewed Petitioner's proposal including the project design, construction plans and specifications, the listing of structures within 100 feet of the pipeline and their distances from the proposed pipeline alignment, and also conducted a full field inspection of the entire pipeline route. The proposed pipeline route will start at an existing NJNG regulator station near the intersection of Routes 527 and 70 and run westerly along Route 70 in Toms River, proceed southerly on Colonial Drive in Manchester Township and then proceed in a southeasterly direction along Route 37 and then in an existing NJNG easement until ending at Petitioner's regulator station in Toms River. The Board's Bureau of Pipeline Safety participates in the Federal Pipeline Safety Program pursuant to Section 60105(a) of the Natural Gas Pipeline Safety Act of 1968, as amended, (49 U.S.C.1671 et seq.) and the Board has regulatory jurisdiction and enforcement authority of the safety standards through the imposition of injunctions and/or monetary sanctions for any suspected violation of the Federal safety standards promulgated and contained in Parts 192, 193, 199 and 40 of the Code of Federal Regulations.

Petitioner will have full-time inspectors, qualified by training and experience, overseeing the pipeline construction to ensure that the pipeline is constructed and installed in accordance with State and Federal requirements. In addition, Board Staff will conduct pipeline safety compliance inspections during the construction of this pipeline, as well as perform future operating and maintenance inspections on it as part of the Board's ongoing Pipeline Safety Program. NJNG will provide the certification and documentation required by N.J.A.C. 14:7-1.14 prior to placing the Toms River Loop in operation.

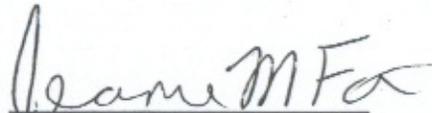
After consideration of all pertinent materials submitted in this matter, and review by Board Staff, the Board HEREBY FINDS that Petitioner's request to construct and operate a 24-inch pipeline running through the Townships of Toms River, Manchester and Berkeley, in Ocean County, New Jersey is reasonable and is in compliance with all relevant Federal and State requirements. Therefore, pursuant to the provisions of N.J.A.C. 14:7-1.4, the Board HEREBY APPROVES the request of NJNG to construct the Toms River Loop, subject to the approval of any pending road opening permits from the affected municipalities and the New Jersey Department of Transportation, all other pending permits, if any, and the pressure testing requirements of N.J.A.C. 14:7-1.4 prior to placing the pipeline in operation, as well as the following:

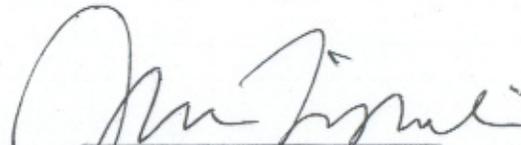
1. That this Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by NJNG or otherwise affect any ratemaking treatment set forth in the AIP Order; and
2. That the Order shall not affect nor in any way limit the exercise of the authority of the Board or this State in any future petition or in any proceedings with respect to rates, franchises, services, financings, services, financing, accounting, capitalization, depreciation, or any other matters affecting NJNG.

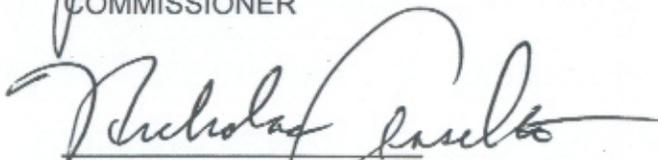
DATED: 6/7/10

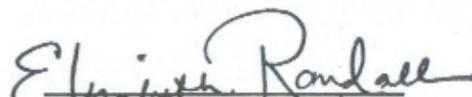
BOARD OF PUBLIC UTILITIES  
BY:

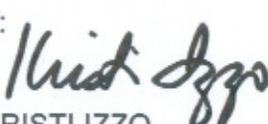
  
LEE A. SOLOMON  
PRESIDENT

  
JEANNE M. FOX  
COMMISSIONER

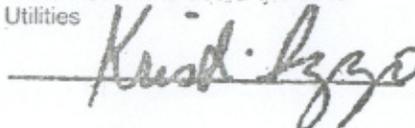
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
NICHOLAS ASSELTA  
COMMISSIONER

  
ELIZABETH RANDALL  
COMMISSIONER

ATTEST:  
  
KRISTI IZZO  
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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TOWNSHIPS OF TOMS RIVER, MANCHESTER AND BERKELEY PURSUANT TO N.J.A.C.  
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