



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 PETITION OF SOUTH)
JERSEY GAS COMPANY FOR APPROVAL OF A)
MUNICIPAL CONSENT IN THE TOWNSHIP OF)
LOGAN, GLOUCESTER COUNTY, NEW JERSEY) DECISION AND ORDER
DOCKET NO. GE13111082

Parties of Record:

Stacy A. Mitchell, Esq., on behalf of Petitioner, South Jersey Gas Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

South Jersey Gas Company ("SJG" or "Company"), a regulated utility subject to the jurisdiction of the 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 360,000 customers within its service territory.

SJG currently provides natural gas service within the Township of Logan ("Township") to approximately 1,311 residential, 322 commercial and 34 industrial customers. The Company's most recent consent to use the streets within the Township for the provision of gas service expired on October 27, 1997.¹ On October 22, 2013, the Township adopted Ordinance 05-2013 by which it renewed its consent and granted SJG permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Township for a period of 50 years in the manner prescribed by N.J.S.A. 48:3-17a and N.J.S.A. 48:9-21. By letter dated November 1, 2013, 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 "A" and "B," respectively.

¹ 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, SJG has continued to provide service to its customers within the Township in an uninterrupted manner.

On November 13, 2013, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, SJG filed a petition requesting that this Board give its approval to the consent adopted by the Township. As required by law and after notice, a hearing in this matter was held on December 11, 2013, before Edward D. Beslow, Esq., the Board's duly appointed Hearing Examiner. Appearances were made on behalf of the Company, the 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 hearing, the Company relied on its petition and exhibits filed with the Board and presented the testimony of Robert Fatzinger, its Senior Vice-President, Engineering Services. According to Mr. Fatzinger's testimony, SJG anticipates growth in its defined service territory to be approximately 1% for the next 3 to 5 years. According to the Company, it has the capacity to ensure continuation of its natural gas service and does not foresee any concerns regarding its ability to meet the existing and future demands of the Township.

Rate Counsel, in its written comments to the petition, dated January 21, 2014, stated that it had no objection to the granting of the relief requested by SJG provided that the Board clarified that the consent to the term of the consent to use the streets is limited to fifty (50) years. Rate Counsel also recommended that the Board include in its Order the terms and conditions that have been traditionally been made part thereof.

After a full review of the entire record, the Board **HEREBY FINDS** that the municipal consent, which is the subject of this matter, is necessary and proper for the public convenience and properly conserves the public interest, and that SJG has the ability to install the appropriate infrastructure to allow it 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 Township to continue to provide adequate and appropriate service to its existing customers. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, **HEREBY APPROVES** the consent granted to SJG by the Township for the continued use of its public streets to allow for the provision of gas service in the Township as sought in the Company's petition.

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

1. 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 SJG.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board of the 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 SJG.
3. In an appropriate subsequent proceeding, SJG shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.

4. The rates for service to the Company's customers in the Township shall continue to be those set out in the Company's current tariff approved by and on file with the Board. These rates shall remain in effect until otherwise approved by the Board.
5. Approval of this municipal consent does not constitute Board approval of any costs or expenses associated with this 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 on 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.
6. The Company has agreed to a 50-year limitation on the consent for the use of the streets. The term of the consent as to the right to provide service is not limited by this Order and shall be effective as granted by the Township.


This Order shall be effective as of May 5, 2014.

DATED: 4/24/14

BOARD OF PUBLIC UTILITIES
BY:



DIANNE SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER

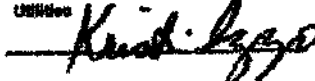

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
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



IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR
APPROVAL OF A MUNICIPAL CONSENT IN THE TOWNSHIP OF LOGAN,
GLOUCESTER COUNTY, NEW JERSEY - DOCKET NO. GE13111082

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EXHIBIT A

ORDINANCE NO. 05 -2013

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWNSHIP OF LOGAN,
COUNTY OF GLOUCESTER, STATE OF NEW JERSEY, GRANTING RENEWED
CONSENT AND PERMISSION TO SOUTH JERSEY GAS COMPANY
TO USE THE PUBLIC STREETS TO FURNISH GAS FOR LIGHT, HEAT AND
POWER IN LOGAN TOWNSHIP

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, provides natural gas service to the Township of Logan pursuant to the municipal consent first granted to South Jersey Gas Company in that certain Ordinance passed on October 13, 1947; and

WHEREAS, South Jersey Gas Company now seeks, pursuant to N.J.S.A. 48:3-15, the consent of Logan Township to renew the section of the Ordinance applicable to the use of the streets in Logan Township by adopting this Ordinance; and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of Logan Township, County of Gloucester, State of New Jersey as follows:


Section 1. That exclusive consent and permission is hereby renewed and granted to South Jersey Gas Company to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within Logan Township in the manner prescribed by N.J.S.A. 48:9-21, and subject to reasonable regulations imposed by ordinance or resolution with respect to the opening of streets and public places, subject to approval of such consent and permission by the Board of Public Utilities.

Section 2. This consent is granted for the entire geographical area of Logan Township and extend to the boundaries of Logan Township and shall remain in effect for a period of fifty (50) years from the date of final adoption of this Ordinance.


Section 3. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by any Court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.

Section 4. This Ordinance shall take effect immediately upon posting, publication, final passage in the manner prescribed by law, and acceptance by South Jersey Gas Company.

ATTEST:


LINDA L. OSWALD
Clerk

LOGAN TOWNSHIP

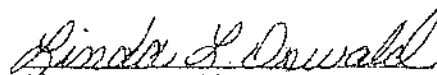

FRANK W. MINOR
Mayor

Introduced: October 1, 2013

Adopted: October 22, 2013

CERTIFICATION

I hereby certify that the above Ordinance is a true copy of an ordinance that was introduced on first reading by the Township Council of the Township of Logan, County of Gloucester, State of New Jersey, at a meeting held by the same on October 1, 2013 with a public hearing on and adoption by same on October 22, 2013 in the Logan Township Municipal Building, 125 Main Street, Bridgeport, New Jersey.



Linda L. Oswald, RMC
Municipal Clerk

EXHIBIT B



South Jersey Gas

*Where we put all of our energy **

Gina Merritt-Epps, Esq.
Office of General Counsel and Corporate Secretary
General Counsel and Corporate Secretary

November 1, 2013

(Via email at linda@logan-twp.org)

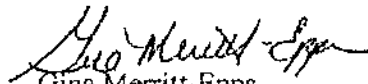
Linda L. Oswald, Municipal Clerk, RMC, CMR
Township of Logan
125 Main Street
Bridgeport, NJ 08014

Re: Acceptance of Ordinance No. 05-2013 Granting Municipal Consent to South Jersey Gas Company to Furnish Gas for Light, Heat and Power

Dear Ms. Oswald:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 05-2013 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the Township of Logan. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 05-2013, as passed.

Very truly yours,


Gina Merritt-Epps
gmerritt@sjindustries.com

Enclosure

cc: (all via e-mail)
John Stanziola, Director, Regulatory Affairs
Sherri Vasu, Supervisor, Revenue Analyst Permits
Abbey Greenberg, Public Affairs Specialist
Ira G. Megdal, Esq.
Stacy A. Mitchell, Esq.