



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 BOROUGH OF)
FOLSOM, ATLANTIC COUNTY, NEW JERSEY) DOCKET NO. GE14091058

Parties of Record:

Stacy A. Mitchell, Esq., Cozen O'Connor, P.C. on behalf of Petitioner, South Jersey Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD¹:

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 Borough of Folsom ("Borough") to approximately 290 residential, forty-one (41) commercial, and five (5) industrial customers. The Company's consent to use the streets within the Borough for the provision of gas service expired on April 4, 2007,² pursuant to the fifty (50) year statutory limitation set forth in N.J.S.A. 48:3-15. On August 13 2014, the Borough adopted Ordinance No. 06-2014, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes, mains, and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of fifty (50) years to allow SJG to continue to provide gas service to the Borough. By letter dated September 8, 2014, 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 Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

² 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 Borough in an uninterrupted manner.

On September 25, 2014, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, SJG filed a petition requesting that the Board approve the consent adopted by the Borough. As required by law and after notice, a hearing in this matter was held on December 2, 2014 before William Agee, Esq., the Board's duly appointed hearing officer. 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 the hearing, the Company relied on its petition and exhibits filed with the Board, and presented the testimony of Joseph Schneider, its General Manager of System Engineering and Planning. According to Mr. Schneider's testimony, SJG anticipates growth in its defined service territory to be approximately one (1) percent annually for the next three (3) to five (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 Borough.

Rate Counsel, in its written comments to the petition dated February 5, 2015, indicated that it does not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty (50) years. However, Rate Counsel requests that approval of the petition include certain restrictions which are incorporated herein.

Following the receipt of Rate Counsel's comments, SJG filed correspondence with the Board on February 18, 2015 indicating that it had no additional comments.

After a full review of the entire record, the Board **HEREBY FINDS** that the municipal consent for use of the streets, 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 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 customers, as well as expected future customers, and that the fifty (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 consent granted to SJG by the Borough for the continued use of its public streets for a period of fifty (50) years for the provision of gas service in the Borough subject to the following provisions:

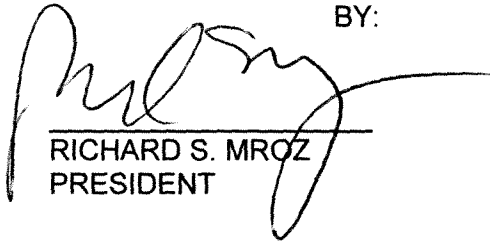
1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by SJG.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board of the State in any 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 Borough 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 term of the municipal consent as to the right to provide service is not limited by this Order and shall be effective as previously granted by the Borough.


This Order shall be effective as of April 24, 2015.


DATED: 4/13/15

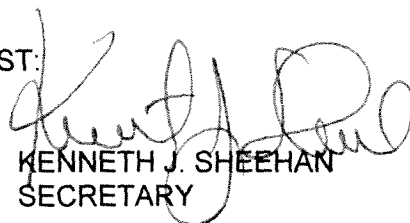
BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:

KENNETH J. SHEEHAN
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 BOROUGH OF FOLSOM, ATLANTIC COUNTY,
NEW JERSEY - DOCKET NO. GE14091058

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Exhibit A

**BOROUGH OF FOLSOM
ORDINANCE NO. 06-2014**

**AN ORDINANCE GRANTING RENEWED CONSENT AND PERMISSION TO
SOUTH JERSEY GAS COMPANY TO USE THE PUBLIC STREETS TO
FURNISH GAS FOR LIGHT, HEAT AND POWER IN FOLSOM BOROUGH**

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, provides natural gas service to Folsom Borough pursuant to the municipal consent first granted to South Jersey Gas Company in certain Ordinance 36 passed on April 4, 1957; and

WHEREAS, South Jersey Gas Company now seeks, pursuant to N.J.S.A. 48:3-15, the consent of Folsom Borough to renew that portion of the 1957 Ordinance, applicable to the use of the streets in the Borough for said service by adopting the following Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Folsom, County of Atlantic and 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 Folsom Borough 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 Folsom Borough and shall extend to the boundaries of Folsom Borough 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.

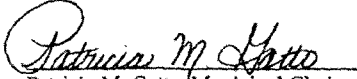
Section 4. This Ordinance shall take effect immediately upon posting, publication, final passage in the manner prescribed by law, and acceptance by South Jersey Gas Company.

Section 5. All Ordinances or parts which are inconsistent with the provisions of this Amendment to an Ordinance, are hereby repealed to the extent of such inconsistency.

Section 6. South Jersey Gas shall be required to post an annual bond in the sum of \$5,000.00 to ensure proper performance of it and any subcontractor as it relates to opening and closing streets.

Section 7. If the terms of this Ordinance shall be in conflict with those of another Ordinance of the Borough of Folsom, then the restriction which imposes the greater limitation shall be enforced.

NOTICE IS HEREBY GIVEN that the foregoing Ordinance was introduced and passed on the first reading at a regular meeting of the Borough Council in the Borough of Folsom, County of Atlantic and State of New Jersey, held on July 9, 2014 and said Ordinance was approved for final adoption at a public hearing held in the Borough of Folsom Municipal Building, 1700 12th St., Folsom, NJ, on August 13, 2014 at 7:00 P.M.


Patricia M. Gatto, Municipal Clerk


Thomas N. Ballistreri, Mayor

PERFORMANCE AND MAINTENANCE SURETY

KNOW ALL BY THESE PRESENTS, that SOUTH JERSEY GAS COMPANY, a corporation of the State of New Jersey, hereinafter called "Obligor" is held and firmly bound unto the CITY OF FOLSOM, municipal corporation in COUNTY OF ATLANTIC, and State of New Jersey, hereinafter called "Obligee", in the sum of FIVE THOUSAND DOLLARS (\$5,000.00), lawful money of the United States of America, for the payment whereof said Obligor binds itself and its successors, firmly by these presents for the period of August 13, 2014 through August 12, 2015.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Obligor shall properly and in a good workmanlike manner restore any street or public place which may be opened by it in a manner satisfactory to the Obligee, then this obligation shall be null and void; otherwise to be and remain in full force and effect.


IN WITNESS WHEREOF, said Obligor has caused its corporate seal to be hereto affixed and this Bond to be signed by its Vice President and attested by its Secretary, this 27th day of August 2014.

SOUTH JERSEY GAS COMPANY

By: _____


Bob Fatzinger
Sr. Vice President, Engineering Services & System Integrity

ATTEST


Gina Merritt-Epps, Esq.
General Counsel & Corporate Secretary

SEAL

I, Clerk of said Obligee, do hereby certify that the foregoing is a true copy of the Bond filed on the day of _____, 2014, by said Obligor with said Obligee in compliance with the issuing of a street opening permit in the city of Folsom, New Jersey.

By: _____

Clerk of Obligee

Dated: _____

Exhibit B



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

September 8, 2014

(Via email: pgatto@folsomborough.com)
Patricia M. Gatto, CMR
Borough of Folsom
1700 Route 54
Folsom, NJ 08037

Re: Acceptance of Ordinance No. 06-2014 Granting Municipal Consent to South Jersey Gas Company to Use the Streets for the Provision of Natural Gas Service


Dear Mr. Gatto:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 06-2014 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the Borough of Folsom. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 06-2014, as passed.

I have also enclosed a copy of the Performance and Maintenance Surety in the amount of \$5,000.00 which covers the period of August 13, 2014 through August 12, 2015.

Please do not hesitate to call if you have any questions. Thank you.

Very truly yours,


Gina Merritt-Epps
gmerritt@sjindustries.com

Enclosure

cc: John Stanzola, Director, Regulatory Affairs
Sherri Ramos, Supervisor, Revenue Analyst Permits
Abbey Greenberg, Public Affairs Specialist
Stacy A. Mitchell, Esq.