



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 CITY OF SALEM,)
SALEM COUNTY, NEW JERSEY) DECISION AND ORDER
DOCKET NO. GE15040406

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 BOARD: ¹

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 364,000 customers within its service territory.

SJG currently provides natural gas service within the City of Salem ("City") to approximately 1,215 residential, 183 commercial, and two (2) industrial customers. The Company's consent to use the streets within the City for the provision of gas service expired on October 19, 2005,² pursuant to the fifty (50) year statutory limitation set forth in N.J.S.A. 48:3-15. On March 2, 2015, the City adopted Ordinance No. 1502, 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 City for a period of fifty (50) years to furnish gas service in the City. By letter dated March 30, 2015, 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 City in an uninterrupted manner.

On April 6, 2015, 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 City. As required by law and after notice, a hearing in this matter was held on May 22, 2015, 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. Mr. Schneider testified that SJG is experiencing an increase in customers within its service territory due to conversion from other fuels to natural gas. According to the petition, SJG anticipates growth in its defined service territory to be approximately one (1) percent annually for the next three (3) to five (5) years. SJG further represents that 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 City.

Rate Counsel, in its written comments to the petition dated June 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 in this Order.

Following the receipt of Rate Counsel's comments, SJG filed correspondence with the Board dated June 5, 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 serves the public interest, and that SJG 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 City 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 City to continue to provide gas service, and for the continued use of its public streets for that purpose for a period of fifty (50) years.

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

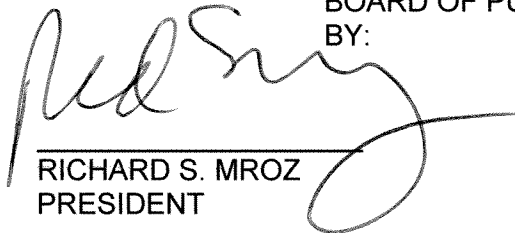
1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by SJG.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board of the State in any future petition or in any proceedings with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or in any other matters affecting SJG.

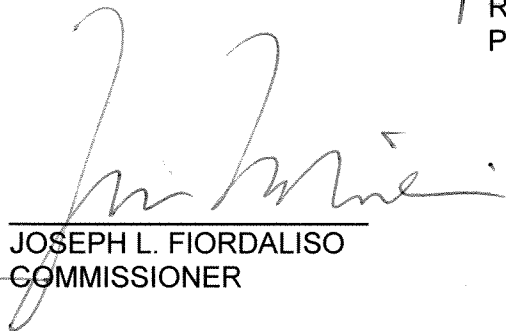
3. In an appropriate subsequent proceeding, SJG shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.
4. The rates for service to the Company's customers in the City shall continue to be those set out in the 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.

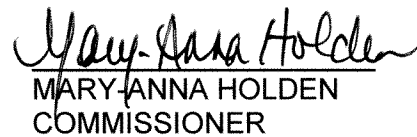
This Order shall be effective as of August 29, 2015.

DATED: 8/19/15

BOARD OF PUBLIC UTILITIES
BY:

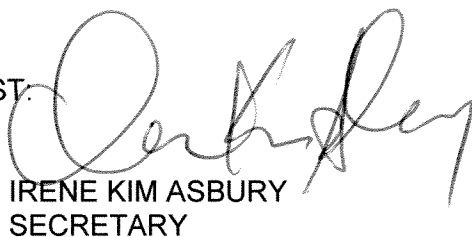

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

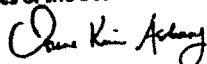

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:


IRENE KIM ASBURY
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 CITY OF SALEM, SALEM COUNTY
NEW JERSEY - DOCKET NO. GE15040406

SERVICE LIST

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Exhibit A

CITY OF SALEM
ORDINANCE 1502

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 THE CITY OF SALEM

WHEREAS, South Jersey Gas Company, a corporation of the State of New Jersey, provides natural gas service to the City of Salem pursuant to the municipal consent first granted to South Jersey Gas Company in that certain Ordinance passed on September 26, 1955; and

WHEREAS, South Jersey Gas Company now seeks, pursuant to N.J.S.A. 48:3-15, the consent of the City of Salem to renew Section A243-1 of Ordinance A243 applicable to the use of the streets in the City of Salem by adopting the following Ordinance:

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Salem, County of Salem 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 the City of Salem 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 the City of Salem and extend to the boundaries of the City of Salem and shall remain in effect for a period of fifty (50) years from the date of final adoption of this Ordinance.

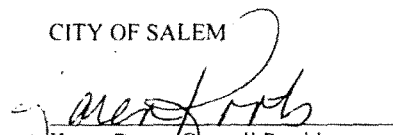
Section 3. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by any Court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.

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:


Kathleen L. Keen, RMC City Clerk

CITY OF SALEM


Karen Roots, Council President

Page 2
 Ord. 1502
 SJ Gas Renewed Consent

Introduced: February 2, 2015

COUNCIL	MOVED	SECONDED	Y	N	ABSTAIN	ABSENT
R. Carter			X			
E. Gage			X			
V. Groce			X			
S. Hampton			X			
C. Hassler	X		X			
H. Johnson		X	X			
J. Waddington			X			
K. Roots			X			


Final Adoption: March 2, 2015

COUNCIL	MOVED	SECONDED	Y	N	ABSTAIN	ABSENT
R. Carter			X			
E. Gage			X			
V. Groce		X	X			
S. Hampton						X
C. Hassler	X		X			
H. Johnson			X			
J. Waddington			X			
K. Roots			X			

Introduced: February 2, 2015
 Published: February 7, 2015
 Public Hearing: March 2, 2015
 Final Adoption: March 2, 2015
 Final Publication: March 5, 2015

APPROVED BY MAYOR:

March 14, 2015
 Date


 Charles Washington, Jr., Mayor

I, Kathleen L. Keen, Municipal Clerk of the City of Salem, in the County of Salem, do hereby certify the foregoing to be a true and correct copy of an Ordinance adopted by the Common Council of the City of Salem on March 2, 2015.

March 25, 2015
 Date

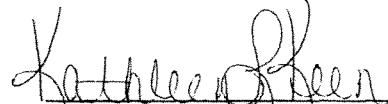

 Kathleen L. Keen, RMC City Clerk

Exhibit B



Stacey M. Barnes, Esq.
Office of General Counsel and Corporate Secretary

March 30, 2015

(Via email kkeen@cityofsalemnj.gov)
Kathleen L. Keen, RMC, CMR, CTC
City Clerk/Registrar
City of Salem
17 New Market Street
Salem, New Jersey 08079

Re: Acceptance of Ordinance No. 1502 Granting Municipal Consent to South Jersey Gas
Company to Use the Streets for the Provision of Natural Gas Service

Dear Ms. Keen:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 1502 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the City of Salem. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 1502, as passed.

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

Very truly yours,

Stacey M. Barnes, Esq.
General Manager, Legal Compliance
sbarnes@sjindustries.com

Enclosure

cc: John Stanziola, Director, Regulatory Affairs
Abbey Greenberg, Public Affairs Specialist
Stacy A. Mitchell, Esq.