



Agenda Date: 12/16/15  
Agenda Item: 2L

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH )  
JERSEY GAS COMPANY FOR A DETERMINATION )  
PURSUANT TO THE PROVISIONS OF N.J.S.A. )  
40:55D-19 ) DOCKET NO. GO13111049

**Parties of Record:**

**Ira Megdal, Esq.**, Cozen O'Connor, P.C., on behalf of South Jersey Gas Company  
**Stefanie A. Brand, Esq., Director**, Division of Rate Counsel  
**Barbara L. Young, Municipal Clerk**, Upper Township  
**Linda Costello, Acting Clerk**, Maurice River Township  
**Fern A. Brown, Acting City Clerk**, City of Estell Manor

BY THE BOARD:<sup>1</sup>

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<sup>1</sup> 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. Commissioner Joseph L. Fiordaliso was not present at the December 16, 2015 agenda meeting.

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The Board of Public Utilities (“Board”) is empowered to ensure that regulated public utilities provide safe, adequate and proper service to the citizens of New Jersey. N.J.S.A. 48:2-23. Pursuant to N.J.S.A. 48:2-13, the Board has been vested by the Legislature with the general supervision and regulation of and jurisdiction and control over all public utilities, "so far as may be necessary for the purpose of carrying out the provisions of [Title 48]." The courts of this State have held that the grant of power by the Legislature to the Board is to be read broadly, and that the provisions of the statute governing public utilities are to be construed liberally. See, e.g. In re Public Service Electric and Gas Company, 35 N.J. 358, 371 (1961); Township of Deptford v. Woodbury Terrace Sewerage Corp., 54 N.J. 418, 424 (1969); Bergen County v. Dep't of Public Utilities, 117 N.J. Super. 304 (App. Div. 1971). The Board is also vested with the authority, pursuant to N.J.S.A. 48:2-19, to investigate any public utility, and to issue orders to public utilities, pursuant to N.J.S.A. 48:2-16 and 48:2-40.

**I. BACKGROUND/PROJECT DESCRIPTION**

South Jersey Gas Company (“SJG,” or “Company,”) is a corporation of the state of New Jersey, and a gas public utility as defined within Title 48 of the New Jersey Statutes engaged in the business of purchasing, distributing, transporting, and selling natural gas to approximately 360,000 customers within its service areas in Cape May, Cumberland, Atlantic, and Salem counties, and parts of Gloucester, Camden and Burlington counties. As such, the Company is subject to the jurisdiction of the Board.

On November 4, 2013, SJG filed a petition (“Petition”) with the Board pursuant to N.J.S.A. 40:55D-19, a section of the New Jersey Municipal Land Use Law (“MLUL”). Petition at 3. In relevant part, N.J.S.A. 40:55D-19 provides that the MLUL, and any ordinance or regulations

promulgated under its authority, shall not apply to a development proposed by a public utility for installation in more than one municipality for the furnishing of service if, upon petition by the public utility to the Board with notice to all affected municipalities, the Board thereafter conducts a hearing and determines that the proposed installation of the development in question is "reasonably necessary for the service, convenience or welfare of the public."

SJG is requesting that the Board issue an order finding that the construction of an approximately twenty-one and sixth-tenths (21.6) miles, twenty-four (24) inch natural gas pipeline ("Project" or "Pipeline") with an alignment that runs through Maurice River Township in Cumberland County, City of Estell Manor in Atlantic County and Upper Township in Cape May County, New Jersey is reasonably necessary for the service, convenience or welfare of the public and, therefore, the zoning, site plan review and all other municipal land use ordinances and regulations promulgated under the authority of the MLUL shall not apply to the Project. Petition at 12.

According to the Petition, the Pipeline will have two (2) segments with the first, which SJG refers to as the "Reliability Line," having an alignment that runs through Maurice River Township in Cumberland County, City of Estell Manor in Atlantic County and Upper Township in Cape May County. The Pipeline will also consist of a second segment, which SJG refers to as the "Dedicated Line", with alignment that will run from the Marshall Avenue regulating facility to a metering station at the B.L. England power plant ("B.L. England" or "facility") located in Upper Township, New Jersey in order to supply the facility with natural gas. Petition at 12.

If approved, SJG will construct the Pipeline. The cost of the Project is approximately \$91 million. R.C. Cape May Holdings ("R.C. Cape May"), the present owner of B.L. England, plans to convert two (2) of the facility's units from coal to natural gas on or before May 1, 2016, pursuant to an Administrative Consent Order ("ACO") with the New Jersey Department of Environmental Protection ("NJDEP"), which requires it to repower the facility or shut down it completely.

The Petition indicates that, if constructed under the Company's preferred route, nineteen and four-tenths (19.4) miles of the Pipeline will be located in roadways within the public right-of-way ("ROW"); two and two-tenths (2.2) miles will be located in easements across private property. Petition at 13. SJG states that the Pipeline is subject to two local land use approvals from Upper Township and Maurice River. The land use approvals required from Upper Township pertain to the proposed Tuckahoe Interconnection Station, two remote operating valve stations and the B.L. England metering station facility. The proposed Cumberland Pond Station near Union Road and Upper Township would require land use approvals from Maurice River Township. Petition at 15.

The Pipeline alignment also traverses through the coastal zone which is within the jurisdiction of NJDEP's Land Use Regulations Program ("LURP") and also within the jurisdiction of the Army Corps of Engineers. The Petition states that SJG filed applications with NJDEP and the Army Corps of Engineers, and the Company received the requested approvals in July 2013. Petition at 14.

Additionally, according to the Petition, a portion of the Project is located in land use management areas under the jurisdiction of the New Jersey Pinelands Commission ("Pinelands Commission"), which are subject to the Pinelands Commission's Comprehensive Management Plan ("CMP"). Petition at 14.

## II. PROCEDURAL HISTORY

### A. Other Filings

On March 8, 2013, SJG filed a petition pursuant to N.J.A.C. 14:7-1.4 ("March 8, 2013 Petition"), which requires Board approval to construct and operate a natural gas pipeline that is intended to be operated in excess of two-hundred fifty (250) psig if it is located within one-hundred (100) feet of any building intended for human occupancy. The Pipeline must satisfy the requirements of 49 C.F.R. 192 and other provisions of N.J.A.C. 14:7. A public hearing was held on the March 8, 2013 Petition on May 1, 2013 at 7:00 p.m. at the Upper Township Municipal Building located in Petersburg, New Jersey, after notice in newspapers in general circulation within the Company's service territory. By Order dated June 21, 2013 ("June 21, 2013 Order"), the Board authorized the construction of the Pipeline along the proposed route pursuant to N.J.A.C. 14:7-14, subject to certain conditions.

In addition, by Order dated April 29, 2013 ("April 29, 2013 Order"), the Board approved a standard gas service agreement (FES) and a standard gas service agreement addendum between R.C. Cape May and SJG. In that matter, the New Jersey Division of Rate Counsel ("Rate Counsel"), SJG, Board staff and R.C. Cape May executed a Stipulation of Settlement that provided that if the cost of the Dedicated Line and the Reliability Line was \$86,943,651.00 then \$34,809,220.00 or 40% of this amount should be allocated to R.C. Cape May. The Stipulation further provided that, if the cost becomes \$90,894,803.00 then \$34,850,372.00 or forty-two and seven tenths (42.7) percent of the total cost of the Dedicated Line and the Reliability Line should be allocated to R.C. Cape May. See April 29, 2013 Order at 3. Thereafter, on October 20, 2014, SJG filed a Petition for an Amended Order ("October 20, 2014 Petition"), requesting that the following additional condition be added to the June 21, 2013 Order:

Provided, however, that unless ordered to do so by this Board, or other governmental authority having jurisdiction, the Company will not connect any new customer to that portion of the Pipeline within the area designated as the Forest Area pursuant to the CMP.

The October 20, 2014 Petition also requested that the Board approve a change in the location of the point of interconnection and the regulator station from Marshall Avenue in Upper Township to Mount Pleasant–Tuckahoe Road in Upper Township. See October 20, 2014 Petition at 2.

After publication of notice in newspapers of general circulation in SJG's service territory, Commissioner Joseph L. Fiordaliso presided over public hearings on the October 20, 2014 Petition, along with Commissioner Dianne Solomon, which were held at the Upper Township Community Center in Tuckahoe, on June 17, 2015. By Order dated July 22, 2015 ("July 22, 2015 Order"), the Board approved SJG's request for an Amended Order. Specifically, the July 22, 2015 Order authorized the relocation of the point of interconnection and the regulator station from Marshall Avenue in Upper Township to Mount Pleasant – Tuckahoe Road in Upper Township, and approved the requested additional language prohibiting connection of new customers in the Pinelands to the Pipeline. See July 22, 2015 Order at 8. The Pinelands

Preservation Alliance (“PPA”) filed a Notice of Appeal of this decision on September 4, 2015, and an Amended Notice of Appeal on or about September 29, 2015.

The only matter requiring action and remains pending before the Board is the present petition filed pursuant to the MLUL. By letter dated August 21, 2015, Nancy Wittenberg, the Executive Director of the Pinelands Commission, transmitted a copy of the Pinelands Commission’s Certificate of Filing (“COF”) for the Pipeline to Paul Flanagan, the Board’s Executive Director, under the Pinelands Commission’s coordinated state permitting provisions. See N.J.A.C. 7:50-4.81(b). Ms. Wittenberg requested that the Board provide the Pinelands Commission staff with copies of certain documents issued or filed in this proceeding. These documents were provided to the Pinelands Commission as requested. On December 14, 2015, the Board received confirmation from Ms. Wittenberg that nothing submitted in connection with this proceeding before the Board has changed the Pinelands Commission staff’s prior determination in the COF that the Project is consistent with the minimum standards of the CMP.

### **B. Public Hearings and Motions in the MLUL Petition**

By Order dated December 18, 2013 (“December 18, 2013 Order”), the Board retained this MLUL matter for hearing and designated Commissioner Joseph L. Fiordaliso as the presiding officer with the authority to establish and modify schedules, decide all motions and otherwise control the conduct of this case, subject to Board ratification. Additionally, the December 18, 2013 Order established December 30, 2013 as the deadline to file motions to intervene in this matter. No motions to intervene were filed prior to the expiration of the deadline.

After notice in newspapers in general circulation within the Company’s service territory, a public hearing was held on December 18, 2013, at the Upper Township Municipal Building in Petersburg, New Jersey. After similar notice, two (2) additional public hearings were held on October 19, 2015, at the Upper Township Municipal Court. Testimony and comments received at the public hearings are summarized below.

On September 25, 2015, Commissioner Fiordaliso issued an Order scheduling the evidentiary hearing on October 21, 2015.

Despite the expiration of the deadline to file motions to intervene, on October 9, 2015, PPA filed a motion to participate in this proceeding. By letter dated October 16, 2015, Rate Counsel indicated that it would not be taking a position on PPA’s motion to participate. By letter dated October 16, 2015, the Company indicated that it did not oppose PPA’s motion to participate. On October 19, 2015, PPA also moved for the admission *pro hac vice* of Mariel R. Bronen, Esq., a member of the bar of the State of New York. By Order dated October 20, 2015 (“October 20, 2015 Order”), Commissioner Fiordaliso granted PPA’s motions. As requested, PPA was granted the more limited form of involvement, for participation in the proceedings, as opposed to intervention. N.J.A.C. 1:1-16.6. As stated in the October 20, 2015 Order, participation limited the PPA to the right to orally argue at the evidentiary hearing and/or file a written statement or brief. N.J.A.C. 1:1-16.6(c). See October 20, 2015 Order at 4. PPA was also directed to address its concerns about the Project’s compliance with the CMP at the public hearings, the transcript of which would be reviewed by the Pinelands Commission staff, since compliance with the CMP was not at issue in the evidentiary hearing before the Board. Id. at 5.

As noted above, there were three (3) public hearings conducted in this matter. The public hearings were transcribed, and the comments made part of the record in this proceeding. The first public hearing was conducted before Commissioner Fiordaliso, along with Commissioner

Dianne Solomon, after notice in newspapers in general circulation within the Company's service territory, at the Upper Township Municipal Building in Petersburg, New Jersey on December 18, 2013 at 5:30 p.m. The public hearing lasted until approximately 6:30 p.m., and individuals were given the opportunity to express concerns or support for the proposed Project.

The majority of the commenters at the public hearing on December 13, 2013 opposed the Project. Theresa Lettman, Director of Monitoring Programs for the PPA, stated that the Project violates the Pinelands CMP and local land ordinances in the affected municipalities, which require the development to exclusively serve the needs of the Pinelands. 1T 20:3-22:22.<sup>2</sup> Georgina Shanley stated that the local government authority is being stripped away and the rights of the local municipalities are being trampled by the filing of the Petition. She stated that the Pipeline is not necessary and runs contrary to the CMP. Ms Shanley referred to a joint letter authored by former Governors Whitman, Byrne, Kean and Florio that was written in opposition to the Project. 1T 23:2-27:10. Elaine Scattergood stated that there will be ten (10) miles of the Pinelands encroached upon as a result of this Project, and that it's not necessary because it doesn't serve the local community. She also stated that the Company will sell the Pipeline in the future and export the natural gas. 1T 27:14-28:10. The Board also received comments at the hearing in opposition to the Project from Dr. Robert Allen, Diane Marie and Richard Fellows. 1T 28:14-41:7; 47:11-53:23.

The Mayor of Upper Township, Richard Palombo, and Eric Adolfsen, an employee of B.L. England, expressed their support for the Project. Mayor Palombo also submitted a written statement to the Board for its consideration. At the hearing, Mayor Palombo stated that the Project allows the municipality to take a balanced approach to economic development, job creation and environmental protection. He stated that the Project would create seventy-five (75) full-time jobs for a nine-month period, and would bolster Cape May County's existing natural gas reliability. He further indicated that the Pipeline would be environmentally beneficial in that it would allow the B.L. England power plant to convert from coal and oil to natural gas. He also indicated that the majority of the Pipeline would be located under New Jersey Route 49 and Tuckahoe Road, which would minimize any environmental impacts to the Pinelands. 1T 41:10-45:11

Eric Adolfsen stated that he has been employed at the B.L. England power plant since 1981 and is PJM system certified.<sup>3</sup> He indicated that B.L. England continued to operate during Superstorm Sandy, and is frequently asked to operate if the overall electrical grid is in jeopardy in order to maintain system security. Mr. Adolfsen stated that the B.L. England power plant's employees would be honored to continue to be a part of this critical infrastructure. 1T 45:24-47:8.

SJG marked three (3) exhibits for identification at the hearing. The Certificate of Service with accompanying exhibits pertaining to the Notice of Filing and Public Hearing was marked as Exhibit P-1. A Public Hearing Statement which addressed the Project's overview, the need for the Project, the municipal land use approvals, alternative routes and safety concerns, among

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<sup>2</sup> Reference to the transcript of the December 18, 2013 public hearing is referred to as "1T" followed by the page and paragraph number.

<sup>3</sup> PJM, the Pennsylvania-New Jersey-Maryland Interconnection, LLC, is the privately-held, limited liability corporation approved by the Federal Energy Regulation Commission as a Regional Transmission Organization that manages the regional, high-voltage electricity grid serving all or parts of thirteen (13) states, including New Jersey. PJM also operates the regional competitive wholesale electric market and manages the regional transmission planning process. N.J.S.A. 48:3-51.

other items, was marked as Exhibit P-3. Richard Bethke, a senior engineer employed by SJG, read a statement into the record in support of the Project on behalf of the Company, which was marked as Exhibit P-2. Mr. Bethke stated that the Project is necessary for the service, convenience and welfare of the public because it will increase reliability in Atlantic and Cape May Counties and service the B.L. England power plant to enable its conversion from a coal and oil-burning electrical generation facility to one that burns natural gas. He stated that a segment of the Project will serve as a secondary transmission pipeline so that a single incident cannot impact the feed of the existing supply lines. Mr. Bethke further stated that the repowering of the B.L. England power plant will advance many of the goals of the state's Energy Master Plan ("EMP"). He indicated that the Company has been in direct contact with officials from Maurice River Township and Upper Township concerning the proposed construction, and the Company has not received any objections. He stated that the Company intends to continue its ongoing dialogue with these officials to ensure that the municipal land use requirements are met in each municipality. According to Mr. Bethke, the Company also intends on taking all appropriate measures to ensure that the Project creates minimal disturbance to local residents and businesses. Additionally, he stated that the proposed route was considered among several alternatives by SJG. Exhibit P-2; 1T 10:16-16:19.

James Glassen, Esq., appeared on behalf of Rate Counsel and read a statement into the record, which was marked as Exhibit RC-1. Mr. Glassen stated that Rate Counsel was created by the New Jersey Legislature to represent ratepayers in cases such as this, where a utility petitions the Board to exercise its authority in planning and zoning matters. Mr. Glassen further stated that Rate Counsel was interested in listening to the public comments, which would be incorporated into its review of the petition. Exhibit RC-1; 1T 17:2-20.

Thomas Walker, an electrical engineer and Bureau Chief at the Board, also read a statement into the record in support of the Project. Mr. Walker stated that it is the position of Board staff, based upon the Board's prior decision addressing system reliability, system reinforcement and the reasonableness of the Project, municipal zoning should not be used as a basis to stop the Pipeline from being constructed. Mr. Walker stated that Board staff recommends that the Board approve the Petition. 1T 17:22-19:23.

As noted above, two (2) additional public hearings were conducted on October 19, 2015 at the Upper Township Municipal Court in Petersburg, New Jersey at 3:00 p.m. and 6:00 p.m. The hearings were well attended by the public and municipal officials. Henry Ogden, Esq. appeared on behalf of Rate Counsel and Ira Megdal appeared on behalf of SJG.

At the 3:00 p.m. public hearing, Ira Megdal presented a diagram depicting the Project and stated that it is a twenty-four (24-inch pipeline) commencing in Maurice River Township and running through Estell Manor and Upper Township. Mr. Megdal stated that the Reliability Line starts at the proposed Cumberland Pond Station and continues onto the interconnection point. He added that the Dedicated Line continues from the interconnection point and terminates at B.L. England. 2T 9:20-10:20.<sup>4</sup>

In addition, Mr. Megdal indicated that there are various above-ground facilities in both Maurice River Township and in Upper Township which would be subject to local land use approvals if

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<sup>4</sup> Reference to the transcript of the October 19, 2015 public hearing conducted at 3:00 p.m. is referred to as "2T" followed by the page and paragraph number.

the relief requested in the petition is not granted. If it is granted, Mr. Megdal stated that they will not be subject to those approvals. 2T 10:21-11:7.

Mr. Ogden provided an opening statement in which he indicated that, if the Pipeline were constructed and the Company seeks recovery of the costs associated with it in a future proceeding, Rate Counsel will conduct a complete investigation of the Company's petition in that proceeding based on the information supplied and updated by the Company. 2T 11:10-13:6. Paul Flanagan, the Board's Executive Director, appeared on behalf of Board Staff, but did not comment at the hearings. 2T 13:9-10.

Approximately fifty-seven (57) members of the public provided statements on the record at the public hearings on October 19, 2015. At the 3:00 p.m. public hearing, support for the Pipeline was expressed by the, New Jersey State Chamber of Commerce, New Jersey Alliance for Action and the Engineers Labor Employer Cooperative on the grounds that the Pipeline will create jobs and provide energy infrastructure that is relied upon by local residents and businesses. 2T 25:7-308; 30:11-33:11;66:23-69:2. The Southern New Jersey Development Council also expressed support for the Pipeline route as the best option to protect the Pinelands and surrounding community, and spoke in favor of repowering B.L. England. 2T 23:15-30:8.

Also speaking in favor of the Project was Richard Jackson, of the New Jersey Energy Coalition. Mr. Jackson stated that the Project serves the public interest and should be exempt from local land use regulations. He further stated that the repowering of B.L. England will reduce costly electricity congestion charges on Atlantic City Electric's transmission system, and thereby avoid the need for many costly and environmentally intrusive electric system transmission improvements that are going to otherwise be needed after the Oyster Creek nuclear facility ("Oyster Creek") shuts down in four (4) years. 2T 31:10-33:22.

Jeff Tittel, Director of the New Jersey Sierra Club, specifically stated that the Board should not approve the relief requested in the petition because PJM has indicated that the repowering of B.L. England is unnecessary and that the Project does not primarily serve the Pinelands. Mr. Tittel also stated that the Project involved private development and, therefore, SJG and B.L. England should pay for it. He further stated that the Project is being considered private development within the Pinelands, even though it is being constructed by a public utility. Mr. Tittel asserted that B.L. England will produce 400 to 500 percent more pollution during the course of a year than it produces presently. Mr. Tittel pointed out that there may not be customers who need the Pipeline because of the economic state of the region. Mr. Tittel also argued it would cause irreparable harm to the Pinelands and could potentially exacerbate forest fires and climate change. 2T 15:7- 22:11.

Diane Marie, a concerned citizen, opposed the Pipeline, and stated it would be dangerous. 2T 33:14-36:7. Jack McCarron, a resident of Cape May, opposed the Pipeline because he wants to enforce protection of the Pinelands. 2T. 65:13-66:20. Margo Pellegrino opposed the Project because she believes that the Pipeline is going to serve an outdated power plant. 2T 88:4-92:16.

Carleton Montgomery, executive director of PPA, opposed the Pipeline and appeared on behalf of his organization. The PPA's primary concerns are safety, the Pipeline's redundancy, the added expense, and significant environmental risk. Additionally, PPA believes that the Board lacks jurisdiction in this matter. 2T 40:4-45:17.



Georgina Shanley spoke against the Pipeline, stating that it is an erosion of people's rights to allow SJG to have rights in the region. Ms. Shanley is also concerned that the public does not have enough information. 2T 44:20-50:9.<sup>5</sup>

Natalie Neiss, a resident of Upper Township, spoke in opposition because she believes the Pipeline is not necessary for the service or welfare of Upper Township. She stated that the placement of the interconnection station is not appropriate to the landscape in historic Tuckahoe Village, and it will negatively affect Upper Township taxpayers. 2T 54:12-56:3

David Pringle, director of New Jersey for Clean Water Action, spoke out against the Pipeline, citing its negative environmental impacts. Specifically, he spoke about air pollution and fracturing of the Pinelands. Mr. Pringle also spoke of concerns that the Project violates the CMP and it does not primarily serve the needs of the Pinelands. 2T 58:20-64:20.

Cidnie Richards, a member of PPA and resident of Tabernacle, spoke on behalf of Dr. Bob Allen in opposition to the Project. Ms. Richards stated that SJG wants to build this Pipeline on its own terms without local oversight and scrutiny. 2T. 69:8-75:2.

Bill Wolfe, resident of Bordentown, spoke in opposition of the Pipeline. Mr. Wolfe stated that the Pipeline has not demonstrated that its operation would be consistent with the goals of the Global Warming Response Act. Mr. Wolfe also voiced concern that the Petition is outdated, as it is two (2) years old. Mr. Wolfe also expressed concerns that the facility is not necessary to meet reliability standards, and that there is misinformation regarding the repowering of B.L. England. Mr. Wolfe also cited sea level rise and harm to the environment as reasons not to proceed with the Project. 2T 75:3-88:1.

Lena Smith of Food and Water Watch opposed the Pipeline because she does not think it is in the public interest or would directly benefit the Pinelands. Ms. Smith also noted that there could be harmful impacts such as water depletion, creation of toxic air emissions and wastewater, and operation of the Pipeline would be contributing to the climate change crisis because of the release of methane. 2T 92:19-94:19.

Ron Hutchison spoke in opposition to the Pipeline. He argued that it would not produce more jobs than a fully developed offshore wind project off the coast of Atlantic City. He argued that the Pipeline would be too risky. 2T 94:22:-97:11.

Dr. Steven Fenichel, of Physicians for Social Responsibility, argued that fracked gas is believed to play a significant role in Alzheimer's and Parkinson's disease because these ultrafine particles are much smaller than the larger particles emitted with the combustion of coal, and are able to get by the nasal hairs and go directly to the brain. 2T 101:22-106:11.

Emile DeVito, manager at the New Jersey Conservation Foundation, spoke out against the Pipeline, arguing it would threaten land, water, wildlife, and the community of people. Ms. DeVito stated that New Jersey needs to reduce its reliance on natural gas and that the facility would have increased emissions. Ms. DeVito also argued that the location of B.L. England will

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<sup>5</sup> Ms. Shanley also questioned whether President Mroz should be recused from this case due to his past association with the New Jersey Energy Coalition (NJEC). The State Ethics Commission reviewed that assertion and determined that President Mroz's past association with the NJEC did not require his recusal in this case.

soon be under water. Ms. DeVito articulated that the Pipeline is unnecessary, there are better ways for New Jersey to meet its energy needs without using fossil fuels and that the Board should not overrule local land use regulations. 2T 106:14-109:20.

Doug O'Malley, director of Environment New Jersey, spoke against the Pipeline for various reasons, including New Jersey's overreliance on natural gas. Mr. O'Malley called for a moratorium on all pipelines across New Jersey. 2T 124:3-126:22.

George Hay, a resident of Somers Point and former member of the Ocean City Advisory Board, spoke in opposition of the Pipeline for reasons related to the negative environmental effects on the Pinelands, and his belief that there are other solutions to the problem of both gas and electric reliability. 2T 127:3-132:19.

Ms. Debra DiLorenzo, a resident and Chief Executive Officer of the Chamber of Commerce of Southern New Jersey, advocated for the Pipeline because it would provide enhanced resiliency for 142,000 businesses and residents, and help convert the aging and outdated B.L. England to a state-of-the-art efficient and cleaner power generator. 2T 22:14-25:4.

Michael Engenton, Senior Vice President for Government Relations with the New Jersey Chamber of Commerce and member of the New Jersey Clean Air Council at NJDEP, stated that he personally, and the New Jersey Chamber of Commerce, support the Project. Mr. Engenton stated that the Pipeline will improve air quality and public health, reduce costs for the taxpayers, ensure energy reliability in the southern region of New Jersey, and provide a boost in the economy and job creation. He also asserted the Project would avoid damage to the environment. 2T 25:7-26:12.

Ernest Fricks, a registered professional engineer and Chairman of the Energy and Environment Committee of the Southern New Jersey Development Council, advocated for the Pipeline. His reasons for support included that Super Storm Sandy demonstrated the need to have safe, reliable service for water, electricity, and natural gas service, and that B.L. England is the only plant to anchor the electrical transmission system in the southeastern part of New Jersey against system upsets and loss of reliability. He also cited to the EMP, which calls for the decommissioning of coal-fired power plants. According to Mr. Fricks, the repowering of B.L. England with natural gas would achieve this goal in the EMP. 2T 27:15-30:8.

Christian Hartman, Assistant Vice President of the New Jersey Alliance for Action, spoke in support of the Project. He supported his position by referencing Super Storm Sandy and how natural gas energy is a step in the right direction. 2T 30:11-33:11.

Rich Jackson, Executive director of New Jersey Energy Coalition, expressed his and his organization's continued support for the Project. He asserted that the Pipeline meets the Coalition's goal to provide clean, reliable energy, and will also ensure safe and secure delivery of natural gas to Cape May Energy Center. 2T 36:10-39:22.

Bob Marshall, Director of Business Advocacy and Legislative Affairs for the Greater Atlantic City Chamber of Commerce, spoke in support of Pipeline construction because it is an investment in the state's energy infrastructure. He cited that the conversion of a coal-fired plant to natural gas is a cleaner solution, will provide full-time work, provide improved system reliability and enhance the energy supply for residential and business customers. 2T 50:10-52:18.

Raymond Phillips, President of the Ironworkers Local Union 350 of Atlantic City, voiced his support for the Project, stating it would create jobs for Atlantic and Cape May Counties. Rick DiBruno, an electrician in Cape May, and William Carew, a retired member of electricians Local Union 351, also favored the Project because it would create jobs. 2T 53:21-54:11.

Gregory Mayers spoke on behalf of New Jersey Society for Environmental, Economic Development ("NJSEED") in support of the Project, stating it creates private sector jobs, bolsters the economy, and would enhance the environment, all consistent with NJSEED's goals. 2T 56:6-58:17.

Michael Zarrillo, an inside wire man for Local Union 351 of the International Brotherhood of Electrical Workers ("IBEW") spoke in favor of the Pipeline because it will provide residents with natural gas and electric reliability. 2T 64:23-65:10.

Daniel Ortega spoke on behalf of the Engineer Labor-Employer Cooperative in favor of the Pipeline. He cited the numerous benefits, including providing construction jobs, protecting the area for the long-term, and keeping New Jersey an economically competitive place to live in with responsible energy infrastructure development. 2T 66:23-67:2.

Timothy Carew, a business agent for Local Union 351 of the IBEW with the electrical union, spoke in favor of the Pipeline, stating it would be beneficial for all because of the jobs created and reliability for the entire region. 2T 97:14-99:1.

Steve Humanick spoke on behalf of Charlie Hill who is the Local Union 210 business manager. Mr. Humanick stated that the Pipeline should be approved because it would maintain jobs at B.L. England, create jobs during construction, improve gas reliability to Cape May County, convert a coal-fired facility to a clean gas fired electric generating facility within South Jersey, which would be available in the event of another unexpected emergency. 2T 99:4-101:19.

Jonathan Atwood spoke representing Senator Jeff Van Drew and Assemblyman Bob Andrzejzak. Their reasons for supporting the Project include that without the Pipeline, the B.L. England would be forced to close, creating job loss, that the B.L. England location would not support a wind energy facility, the need for give the country more energy independence, and a clean and efficient way to increase position with green energy. 2T 109:23-111:14.

Eric Adolfsen spoke in favor of the Pipeline on behalf of both current and former employees of B.L. England. Mr. Adolfsen stated it was important to the community because if B.L. England retires there will be no power generation existing in the entire region. He cited there would be significant transmission outages and there will be no margin for transmission outages in an area known for storms. 2T 112:18-117:8.

Rick Baynton spoke in favor of the Pipeline because it would provide for the generation provided by clean burning gas and also for other renewable energy. He also stated that the environmental impact would be minimal. 2T 117:12-119:3.

Douglass Cossaboon, representing the operating engineers of Local Union 825, spoke in favor of the Pipeline. He cited that pipelines are built safely with advanced technology and the land heals itself readily. Mr. Cossaboon also asserted that a strong nation has a strong infrastructure and he believes that natural gas is one of the best sources of energy the State has now. 2T 133:1-134:17.

At the 6:00 p.m. public hearing, Marianne Clemente spoke against the Project, stating that the elected officials of the three (3) affected municipalities did not go through the process of seeking input from their constituents because they support it. She further stated that the construction of the Pipeline will disturb the Pinelands, and that nothing has changed since the Pinelands Commission voted against the Project in 2014. 3T 12:21-18:25.<sup>6</sup>

Nancy Klein also spoke against the Project, indicating that it is an open door in that it will encourage further development in the Pinelands. 3T 21:9-23:4. Andrew Coleman spoke on behalf of Bus for Progress, a local group comprised of approximately three-hundred and fifty (350) members. Mr. Coleman stated that Bus for Progress does not support the Project and that B.L. England should be torn down. He also stated that New Jersey should utilize more alternative energy and windmills should be constructed off the coast. 3T 19:8-21:6.

Richard Fellows, a resident of Upper Township, spoke out in opposition to the Project, stating it would be improper under Title 40. 3T 48:24-52:2. James Zaccaria, a representative of the New Jersey Sierra Club, spoke against the Pipeline, stating it violates the CMP, will promote water pollution, and the same application was previously rejected by the Pinelands Commission. 3T 53:11-54:23.

Ernest Cascio spoke in favor of the Project, stating that the conversion of B.L. England to natural gas will be more environmentally friendly. 3T 23:19-24:4. Max Slusher, an economist from Margate, stated that he supported the Project because of the impact B.L. England has on the local economy. He indicated that the sixty-five (65) jobs at the facility comprise the top ten (10) percent of Cape May County's workforce, and the loss of five (5) or 6 (six) million dollars in revenue to Upper Township would be absolutely devastating if B.L. England were to shut down. He stated that the environmental impacts have to be weighed against the economic costs. He also stated that Cape May County is a Core Zone economy, we're where there are very high fluctuations in employment and non-employment, which correlate with different social negativities. 3T 24:11-27:2.

Ralph Clayton, Bill Fosbenner, Mike Wolf, Robert Mensch and Charles Henderson are all local residents who spoke in favor of the Project due to its impact on the local economy. Mr. Clayton and Mr. Fosbenner further indicated that local residents should be given stronger consideration as opposed to those individuals who do not live in the local community and are against the Project. 3T 27:5-29:15. Mr. Henderson stated that it would bring long-term and well-paying jobs to the region. 3T 35:2-40:7.

Carl Mason, a resident of Egg Harbor Township, stated that he supports the Project to facilitate a constant supply of energy. He indicated that he has solar panels on his residence, but they do not function at night, or when it is cloudy or rainy. He further stated that windmills are too costly and they do not create local jobs. 3T 29:18-30:13.

Ty Hellyer, resident of Beesleys Point, spoke in support of the Project from his experience with Hurricane Sandy. 3T 30:17-30:25. George Dudzek, a resident of Cape May County and an environmentalist, spoke in favor of the Pipeline because he believes it will decrease pollution in the long-term. 3T 31:6-31:23.

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<sup>6</sup> Reference to the transcript of the October 19, 2015 public hearing conducted at 6:00 p.m. is referred to as "3T" followed by the page and paragraph number.

Lee Diamond, a resident of Margate, spoke against the Pipeline, stating it is not necessary and that energy use should be cut by a third through conservation measures. 3T 32:1-34:24.

Augie Iacona, a resident of Upper Township and retired member of Local 322, spoke in support of the Pipeline saying it would bring jobs and clean energy. 3T 40:12-40:18. Anthony DiMercurio, a resident of Beesleys Point, spoke in support of the Pipeline on behalf of Carpenters' Local Union 255. He stated his reason was because it would clean up emissions from the smoke stack for future generations. 3T 40:23-41:9.

Raymond Bianchino spoke in favor of the Pipeline, stating it would be good for the whole community as it would be cleaner, safer place and the region would have a backup system. 3T 41:10-41:22. Jerry Davis, a resident of Ocean City, spoke in favor of the Pipeline, stating that improving emissions would make the region better. 3T 42:4-42:16.

Larry Trulli, a resident of Upper Township, spoke in favor of the Pipeline stating he does not agree with the conclusions of the earth movement regarding the Pipeline's environmental impacts, and the jobs are needed in the region. Mr. Trulli also stated that an uninterrupted power supply is paramount to comfortable living, and that pipelines are needed to accomplish this end. 3T 45:13-48:21. "Green Man" Tom Mahedy and Fred Green, a business agent for Local Union 322, also spoke in favor of the Pipeline. 3T 52:5-52:21; 3T 42:19-45:10.

Following the public hearings, the Board received written comments from members of the public that generally expressed opposition to the Pipeline premised upon negative environmental, health and safety impacts. Several of the written comments also stated that the municipalities, and not the Board, should determine whether the Project should or should not be permitted to proceed. Several of the comments expressed concerns about the Pipeline's conformity with the CMP. Additionally, questions were raised about the need for the Pipeline.

Margit Meissner-Jackson, the Conservation and Vice Chair of the Sierra Club, stated that exempting SJG from Pinelands Commission regulations violates the CMP and that the Project is forbidden in the sensitive Forest Area of the Pinelands. Ms. Meissner-Jackson further stated that the Pinelands are home to many various species of plants and wildlife, and is situated over one of the largest aquifers in the world.

PPA filed written comments with the Board, along with the declaration of its Executive Director, Carleton Montgomery, providing various documents to the Board for its consideration. PPA stated that the Project violates CMP regulations and is exactly the kind of infrastructure development which the CMP bars from the Forest Area because, once approved, such developments (1) create pressure for more development, (2) strike at the integrity of the CMP, (3) create precedents for further violations of the CMP, and (4) risk damage to natural resources in a Pinelands conservation zone. According to PPA, if the Project is approved, it will render the longstanding, fundamental rule of the CMP governing the development of infrastructure in the Forest Area of the Pinelands completely meaningless.

Sara Bluhm, the Vice President of the New Jersey Business and Industry Association ("NJBIA"), filed written comments with the Board in support of the Project. Ms. Bluhm stated that the Project will reinforce the area's access to safe and reliable energy by providing a critical back-up supply route for natural gas to more than 142,000 customers in Atlantic and Cape May Counties who are currently served by a single pipeline. She also stated that the Pipeline help New Jersey to achieve the goal of further reducing power plant emissions by allowing for the conversion of B.L. England from coal to natural gas. She further stated that NJBIA supports the

Pipeline and its efforts to help business in the region to aid in both the reliability efforts and the access to affordable energy.

Approximately sixteen (16) additional written letters were submitted to the Board in support of the Project from members of the public. The comments indicated that the conversion would benefit the environment, while maintaining the reliability of the electrical grid by keeping the plant online and in production. They further stated that the Pipeline will supply Cape May and Atlantic Counties emergency supply of gas in the event of service disruption.

Over the course of these proceedings, the affected municipalities submitted their support for the project. On March 27, 2014, the Board received a copy of a unanimous resolution of the Cape May County Board of Chosen Freeholders dated March 11, 2014, indicating its support for the Project and the conversion of B.L. England to natural gas. On April 1, 2014, the Board received a copy of a resolution of the City of Estell Manor dated March 12, 2014 also supporting the Project and the conversion of B.L. England. As stated above, the Mayor and council members from Upper Township have appeared at various public hearings to indicate the support of the town council for the Project. No opposition has been voiced by Maurice River Township in either the public hearings or in response to any of the petitions filed with the Board.

The oral and written comments submitted have become part of the record and have been considered in this review.

### **C. Discovery and Pre-filed Testimony**

SJG submitted the pre-filed testimony of its witnesses. Those witnesses and the issues for which they testified are as follows:

#### **Need for the Project**

1. James Maiz, Senior Vice President of R.C. Cape May.
2. Russell S. Arlotta, Vice President of Asset Management and Development for R.C. Cape May

#### **Overview for the Project and construction/engineering**

3. Richard A. Bethke, Senior Engineer for SJG.

#### **Economic Benefits**

4. Russell A. Feingold, Vice President, Management Consulting Division and the Rates and Regulatory Practice Lead of Black & Veatch Corporation (“Black & Veatch”).

### **D. Evidentiary Hearing**

An evidentiary hearing was held on October 21, 2015 at 11:00 at the Board’s offices, 44 South Clinton Street, Trenton, New Jersey with Commissioner Fiordaliso presiding. PPA offered an opening statement presenting the bases for its opposition to the Pipeline and for its position that

the Board should deny the relief requested. The parties waived opening statements.<sup>7</sup> 4T 8:15-15:8.

All of SJG's witnesses attended the hearing in person with the exception of Mr. Maiz, since his testimony was adopted through the testimony of Mr. Arlotta. At the evidentiary hearing, Commissioner Fiordaliso granted SJG's request to mark and to move into evidence the Petition, pre-filed testimony, witness-specific exhibits, and other exhibits, marked as follows:

- (1) Detailed description of the Project's technical design specifications, as approved by the Board (Exhibit P-1);
- (2) "South Jersey Gas – B.L. England Gas Route Analysis Report," prepared by Woodard & Curran ("W&C") dated June 18, 2012 (Exhibit P-2);
- (3) "Alternatives Analysis Addendum to the June 18, 2012 South Jersey Gas – B.L. England Gas Route Analysis Report," prepared by Woodard & Curran, dated January 10, 2013 (Exhibit P-3);
- (4) Direct Examination of Richard A. Bethke (Exhibit P-4) with the following attached thereto:
  - a. Diagram of the Pipeline (Schedule RAB-1);
  - b. Design drawings of Tuckahoe Interconnect Station (Schedule RAB-2);
  - c. Design drawings of Above-Ground Valve-1 Station (Schedule RAB-3);
  - d. Design drawings of Above-Ground Valve-2 Station (Schedule RAB-4);
  - e. Design drawings of B.L. England Metering Station (Schedule RAB-5); and
  - f. Design drawings of Cumberland Pond Pigging Station (Schedule RAB-6).
- (5) Supplemental Direct Examination of Richard A. Bethke (Exhibit P-4A) with the following attached thereto:
  - a. Detailed description of the Project's technical design specifications, as approved by the Board (Exhibit P-1);
  - b. "South Jersey Gas – B.L. England Gas Route Analysis Report," prepared by Woodard and Curran, dated June 18, 2012 (Exhibit P-2);
  - c. "Alternatives Analysis Addendum to the June 18, 2012 South Jersey Gas – B.L. England Gas Route Analysis Report," prepared by Woodard & Curran, dated January 10, 2013 (Exhibit P-3);
  - d. Updated diagram of the Pipeline (Schedule RAB-1A);

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<sup>7</sup> Reference to the Transcript of the October 21, 2015 evidentiary hearing is referred to as "4T" followed by the page and paragraph number.

- e. Updated design drawings of Tuckahoe Interconnect Station (Schedule RAB-2A); and
  - f. Alternatives Analysis Addendum to the June 18, 2012 South Jersey Gas – B.L. England Gas Route Analysis Report, Prepared by Woodard & Curran, dated April 2015 (Schedule RAB-7).
- (6) Direct Testimony of James Maiz (Schedule RA-1, previously Exhibit P-5) with the following attached thereto:
- “Benefit to Pinelands Area of B.L. England Repowering, Updated Analysis,” prepared by PowerGem, dated October 11, 2013 (Schedule JM-1).
- (7) Supplemental direct examination of Russell S. Arlotta (Exhibit P-5A) with the following attached thereto:
- a. Direct testimony of James Maiz (Schedule RA-1, previously Exhibit P-5);
  - b. Redacted South Jersey Gas Company Standard Gas Service Agreement (FES); (Schedule RA-2);
  - c. I/M/O the Joint Petition of South Jersey Gas Company and R.C. Cape May Holdings, LLC for Approval of a Standard Gas Service Agreement (FES) and a Standard Gas Service Agreement (FES) Addendum, Docket No. GO13010052 (Order dated April 29, 2013) (Schedule RA-3);
  - d. “Benefit to Pinelands Area of B.L. England Repowering,” prepared by PowerGem, updated as of October 9, 2015 (Schedule RA-4);
  - e. Memorandum from Francis Steitz, Assistant Director, Division of Air Quality, New Jersey Department of Environmental Protection, to Nancy Wittenberg, Executive Director, New Jersey Pinelands Commission; and
  - f. Benefit Analysis of B.L. England Repowering Project, dated September 16, 2013 (Schedule RA-5).
- (8) Direct testimony of Russell A. Feingold (Exhibit P-6) with the following attached thereto:
- CV of Russell A. Feingold (Schedule RAF-1).
- (9) Cost Allocation Study for a Proposed High Pressure Natural Gas Transmission Pipeline, prepared by Black & Veatch, dated October 2012 and supplement dated February 12, 2013 (Schedule RAF-2); and
- (10) Certificates of Service (Exhibit P-7).<sup>8</sup>

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<sup>8</sup> 4T 17:19-18:1; 4T 19:13-21; 4T 21:9-22:9.



After being introduced by SJG, the Company's witnesses testified under oath as to any subsequent changes to their pre-filed testimony before being presented for cross-examination. Rate Counsel and Board staff waived cross-examination. At the conclusion of the evidentiary hearing, Commissioner Fiordaliso ordered that briefs be filed on October 28, 2015. PPA and SJG filed post-hearing briefs on October 28, 2015.

### III. POST-HEARING INITIAL BRIEFS

#### A. SJG

On October 28, 2015, SJG filed its post hearing brief, along with Exhibit A, the unreported decision in In re Public Service Elec. and Gas Co., 2013 WL 490171 (App. Div. 2013), and Exhibit B, a letter from Pinelands Commission Director of Regulatory Programs to SJG, dated July 29, 2015.

In its closing brief, SJG asserts that it has met its burden under N.J.S.A. 40:55D-19 to demonstrate that the Pipeline is in the public interest and reasonably necessary for the service, convenience or welfare of the public. Therefore, SJG argues that the Board should provide the relief requested in the Petition and exempt the Pipeline from local land use regulation pursuant to the statute. The Reliability Line is necessary for the service convenience and welfare of the public. Gas supply to the existing (more than 60,000) residential and commercial customers within Cape May County is presently provided through over twenty (20) miles of single-feed, twenty (20) inch and sixteen (16) inch diameter pipeline installed in various segments between 1977 and 2005. Should there be an upset condition anywhere along the twenty (20) mile long section of single feed transmission line, it could jeopardize service to potentially all of these downstream customers. SJG brief at 3.

The Dedicated Line is also necessary for the service, convenience and welfare of the public, according to SJG. In addition to supporting system reliability, the Pipeline is necessary to provide service to B.L. England. The Reliability Line will connect to and feed the Dedicated Line. Due to the size of B.L. England and its gas load, after it is repowered the Company must construct the Dedicated Line and connect it to SJG's transmission system. Id. at 4. The conversion of B.L. England to natural gas provides many environmental and energy benefits to the State. Id. at 5.

Further, land use approvals which would otherwise be required are minimal. The majority of the Pipeline will be installed under or alongside paved, public ROW. There is very little in the way of above ground structures, which would require land use approval. Moreover, notice was provided to the affected municipalities and none have chosen to enter an appearance or participate in this proceeding, which supports that these structures are consistent with local approvals. Id. at 5-6.

SJG maintains that it has established the primary elements for approving the Petition including need, routing, engineering and economic impact, and that all of these elements confirm that the Project is reasonably necessary for the service, convenience and welfare of the public. The Pipeline will serve a reliability function for a substantial portion of SJG's service area. Moreover, the repowering of B.L. England will provide electricity to a large portion of Southern New Jersey. SJG has submitted three (3) detailed route studies, demonstrating that the alternative chosen is the best available alternative. The route chosen is primarily located under and along existing paved ROW, or in existing public utility ROW. The zoning and planning codes of Maurice River Township and Upper Township, the two (2) municipalities in

which above-ground structures are located, are not inconsistent with the Company's proposal, and the Pipeline is not opposed by either of these municipalities. The alternatives analyses compiled further demonstrate that the chosen route is superior in every respect to any alternative. Id. at 6-7. Furthermore, the Board has previously found that the Pipeline is reasonable and in compliance with all federal and State requirements. Id. at 7.

In addressing PPA's positions as presented in its opening statement at the evidentiary hearing, SJG claims that PPA's arguments are irrelevant to the Board's decision and erroneous as a matter of law and fact. The Board's exercise of its authority under N.J.S.A. 40:55D-19 does not conflict with the State or federal Pinelands protection acts. It is abundantly clear from the statutory language and the regulatory implementation of that language that the Board has authority under N.J.S.A. 40:550-19 to determine that the local land use ordinances applicable to this matter do not apply. Id. at 31.

SJG stated that, in any event, the Pipeline conforms in all respects to the CMP. The Pinelands Commission has determined, based upon uncontroverted evidence in the record, that the Pipeline is intended to primarily serve a Pinelands use and thus satisfies the only provision of the CMP previously deemed not to be satisfied. Id. at 33.

SJG submits that the Pipeline and repowering of B.L. England are critical to electric reliability of the region. In July 2014, as part of its Regional Transmission Expansion Plan ("RTEP"), PJM studied the effects of a failure to construct the Pipeline and concluded that the resulting shut-down of B.L. England "will have an adverse impact on the reliability of the transmission system." Id. at 33. PJM staff identified a number of thermal and voltage reliability criteria violations "primarily on the 138 kV and 69 kV systems of Atlantic City Electric [ACE]." Id. While ACE has stated that some transmission upgrades will be undertaken regardless of B.L. England's repowering, a substantial portion of the investments would not be required if the new combined cycle facility and the Pipeline serving it are constructed. Id. at 34.

The retirement of B.L. England will also require the operation of replacement power in PJM with emission rates which are significantly higher for NO<sub>x</sub>, SO<sub>2</sub>, PM<sub>2.5</sub> (particulate matter up to two and five-tenths (2.5) micrometers in size) and CO<sub>2</sub>. Most of these power plants are located upwind from the Pinelands area, which will have a negative impact on it. Id. The Pinelands Commission staff also has determined that B.L. England is important for electric reliability in the Pinelands Area, which includes thirty-two (32) Pinelands Area municipalities entirely served by ACE, comprising 312,869 people or sixty-nine (69) percent of the Pinelands Area population. Id.

PPA's suggestion that repowering B.L. England is not viable due to impending sea-level rise is devoid of factual or legal support. Rising seas do not compel abandonment of vulnerable infrastructure in the Coastal Zone, as PPA appears to argue. Consideration of flooding issues is taken into account by the NJDEP through permitting processes and regulatory reviews. Id. at 35.

In addition, PPA contends that the Pipeline will spawn future development in the Pinelands and therefore is contrary to the public welfare. This argument is groundless. There is no evidence that the Pipeline would induce growth. Unlike new roads or public sewers, the Pipeline will not result in new access to previously undeveloped or under-developed areas. Nor will it extend natural gas services to an area not previously served. Furthermore, the Board's July 23, 2015 Order in Docket No. GO13030202 prohibits SJG from connecting any new customers to that portion of the Pipeline within the protected Forest Area. Id. at 35-36.

PPA's further contention that the Pipeline poses a serious threat to Pinelands natural resources, including groundwater surface streams and plants along the route, is incorrect. Natural gas pipelines are a permitted use in the Forest Area under the CMP and thus, by necessary implication, are not a serious threat to Pinelands natural resources. Also, the staff of the Pinelands Commission thoroughly evaluated the potential environmental impacts of the Pipeline, and concluded that the Pipeline would result in no significant adverse impact to groundwater, surface streams, or plants. Accordingly, the Pipeline is not a serious threat to natural resources in the Pinelands. Id. at 36.

Finally, there is no basis for PPA's assertion that there are other, more environmentally protective alternatives to the selected route. All available alternative sites were fully considered and the selected alternative has by far the least environmental impact. Id.

## **B. PPA**

In addition to filing a post-hearing brief, PPA filed the declaration of Mr. Montgomery on October 28, 2015 and amended on November 3, 2015 ("Montgomery Declaration") "to put before the Board of Public Utilities certain facts and documents" including the following:

- (1) Exhibit 1 - copy of the South Jersey Gas, Pinelands Comprehensive Management Plan Compliance Statement, dated May 21, 2015 filed in connection with Application No. 2012-0056.001;
- (2) Exhibit 2 - copy of the report of Nancy Wittenberg, entitled "Report on a Proposed Memorandum of Agreement Between the New Jersey Pinelands Commission and the New Jersey Board of Public Utilities Regarding Construction of a Proposed Approximately 15 Miles of a 22-Mile, 24-Inch Natural Gas Pipeline in the State Designated Pinelands Area", dated January 3, 2014;
- (3) Exhibit 3 - copy of the SJG Petition and exhibits, BPU Docket No. GO13030202, dated March 8, 2013;
- (4) Exhibit 4 - copy of the Board Order in BPU Docket No. GO13030202 In the Matter of the Petition of South Jersey Gas Company for Authorization to Construct a 24" Pipeline, dated June 21, 2013;
- (5) Exhibit 5 - copy of the Board Order in BPU Docket No. GO13010052, In the Matter of the Petition of South Jersey Gas Company for Authorization to Construct a 24" Pipeline, dated April 29, 2013;
- (6) Exhibit 6 - copies of the discovery requests and responses filed In the Matter of Petition of South Jersey Gas Company for Authorization to Construct a 24" Pipeline Through Maurice River Township in Cumberland County, City of Estell Manor in Atlantic County and Upper Township in Cape May County, New Jersey, BPU Docket No. GO13030202 and In the Matter of the Joint Petition of South Jersey Gas Company and RC Cape May Holdings, LLC for Approval of a Standard Gas Service Agreement (FES) and Standard Gas Service Agreement (FES) Addendum, BPU Docket No. G013010052 (submitted confidentially to the Board);

- (7) Exhibit 7 - copy of the minutes of the Pinelands Commission CMP Policy and Implementation Committee Meeting on June 28, 2013;
- (8) Exhibit 8 -copy of an email from Peter Fontaine, Woodard & Curran, to Stacey Roth, Pinelands Commission, regarding SJG Responses to Policy and Implementation Questions, dated October 14, 2013, with responses;<sup>9</sup>
- (9) Exhibit 9 - SJG's Petition for Amended Order, In the Matter of the Petition of South Jersey Gas Company for Authorization to Construct a 24" Pipeline, BPU Docket No. GO13030202, dated October 20, 2014;
- (10) Exhibit 10- Board Order in BPU Docket No. G013030202, In the Matter of the Petition of South Jersey Gas Company for Authorization to Construct a 24" Pipeline dated July 23, 2015;
- (11) Exhibit 11-Pinelands Preservation Alliance's Comments to the Board in BPU Docket No. GO13030202, In the Matter of the Petition of South Jersey Gas Company for Authorization to Construct a 24" Pipeline, dated June 26, 2015;
- (12) Exhibit 12 - Pinelands Preservation Alliance's Amended Notice of Appeal In the Matter of the Petition of South Jersey Gas Company for Authorization to Construct a 24" Pipeline, No. A-000151-15 (N.J. Super. Ct. App. Div. Sept. 29, 2015);
- (13) Exhibit 13 - Pinelands Commission COF, Application No. 2012-0056.001, dated Aug. 14, 2015;
- (14) Exhibit 14 - draft Memorandum of Agreement between the New Jersey Pinelands Commission and the New Jersey Board of Public Utilities;
- (15) Exhibit 15 - Christopher Cooper and Benjamin K. Sovacool, Analysis of Costs and Benefits to the Pinelands of Repowering the B.L. England Plant, dated October 1, 2015;
- (16) Exhibit 16 - Black & Veatch, Cost Allocation Study for a Proposed High Pressure Natural Gas Transmission Pipeline, Prepared for South Jersey Gas, October 2012, and update dated February 10, 2013;
- (17) Exhibit 17 - Dr. Emery A. Coppola, The Risks To Waters Within the Pinelands From the Proposed South Jersey Gas Natural Gas Pipeline, dated October 17, 2015;
- (18) Exhibit 18 - Trident Environmental Services, "Threatened and Endangered Species Habitat Suitability Assessment & Survey Report," dated February 4, 2013;
- (19) Exhibit 19 - letter from G.R. Juelg Consulting to Pinelands Preservation Alliance, dated October 19, 2015;
- (20) Exhibit 20- Chart of Parcels Within One-Hundred (100) Feet of Alternative Pipeline Routes; and

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<sup>9</sup> Mr. Fontaine is associated with the law firm of Cozen O'Connor which represents SJG in this proceeding.

(21) Exhibit 21 - New Jersey Turnpike Authority Plans, obtained from the NJ Turnpike Authority pursuant to an Open Public Records Act request, including plans designated as follows:

- a. New Jersey Turnpike 1985-90 Widening, Section No. 3C – Mile 53.8.
- b. New Jersey Turnpike Interchange 6 – 9 Widening Program, General Property Parcel Map, Design Section 2, Row Section 3E.

In its brief, PPA asserts that the Board cannot make a finding pursuant to N.J.S.A. 40:55D-19 that the Pipeline is reasonably necessary for the service, convenience or welfare of the public for several reasons. According to the PPA, the Pipeline violates the CMP and the Board cannot waive compliance with the CMP under the MLUL. PPA brief at 7. PPA goes on to argue that the Pipeline's non-compliance with the CMP is well documented. The PPA states that the Pinelands Commission first determined that the Pipeline did not comply with the CMP in meetings with SJG in 2012. Then, in January 2014, the Pinelands Commission's Executive Director issued findings of fact that specifically stated that "the proposed pipeline is not fully consistent with the permitted use standards for a Forest Area." The current amended application is the same as the original application in all material respects and, as such, has not cured the Pipeline's inconsistency with applicable law. Id. at 8-9.

PPA also argues that the Pipeline fails to comply with the CMP because it does not primarily serve the Pinelands as required by N.J.A.C. 7:50-5.23(b)(12). PPA claims that the repowering of B.L. England would not primarily serve the needs of the Pinelands, but instead will have a broader use than repowering B.L. England. Id. at 10-11. According to PPA, at least two (2) pieces of evidence undermine SJG's contention that the proposed Pipeline's anticipated level of service reflects an intention to primarily serve the needs of the Pinelands. First, SJG has testified to the Board that it is would be permitted to use the Pipeline to serve B.L. England only when such service will not jeopardize service to SJG's existing customers (the majority of whom reside outside the Pinelands). SJG cannot claim that its primary intention in building the Pipeline is to serve B.L. England and the Pinelands when SJG's primary obligation is to its existing customers, the majority of whom reside outside of the Pinelands. Second, the Pipeline will have a maximum allowable operating pressure of 700 psig, far greater than the pressure reasonably required to service B.L. England. Id. at 11-12.

PPA references the April 29, 2013 Order to support its conclusion that the reliability benefits of the Pipeline will accrue outside of the Pinelands. According to PPA, this conclusion is supported by the cost-allocation for the Project. The PPA points to the Board's order providing for a cost allocation for the Project in which R.C. Cape May R.C, Cape May pays forty (40) percent of the Project costs while SJG's existing ratepayers, the majority of whom reside outside of the Pinelands, pay sixty (60) percent of the Project costs. Id. at 13 (citing to the April 29, 2013 Order at 3). Moreover, the gas service agreement between SJG and R.C. Cape May is not a firm service contract and permits SJG to suspend service to B.L. England during certain days of the year. Id. at 14 (citing to Montgomery Declaration Exhibit 15, "Cooper and Sovacool Report" at 23-26). Therefore, PPA argues that the Pipeline is not intended to primarily serve the needs of the Pinelands as required under the CMP. Id.

In addition, PPA argues that SJG is not entitled to the requested finding pursuant to N.J.S.A. 40:55D-19. Since the Pipeline violates the CMP, it cannot be consistent with the public welfare. SJG has also failed to demonstrate that restoring B.L. England to full-time operation is reasonably necessary. Id. at 14-15.

PPA states that SJG fails to consider specific plans and proposals identified by PJM. These system upgrades include (i) \$100 million in new transmission upgrades resulting from the retirement of Oyster Creek in 2019, (ii) the establishment of proposed new electric generators in New Jersey, (iii) substantial planned and ongoing upgrades to replace and update aging electric infrastructure and (iv) planned upgrades to the electric systems surrounding other overloaded facilities in New Jersey and beyond. Id. at 15-16 (citing Montgomery Declaration Exhibit 15, Cooper and Sovacool Report, at 12-20). The failure of PowerGEM's study to account for these planned and potential system upgrades should cause the Board to dismiss SJG's contention that the repowering B.L. England is necessary for electric reliability. The PJM studies reviewed by Christopher Cooper and Benjamin Sovacool suggest the contrary conclusion. Id. at 16.

PPA also claims that the Pipeline poses serious threats to the natural resources of the Pinelands, which should be measured against any supposed benefit of the Pipeline, asserting that the approval of this Project will encourage further development in the Pinelands. Id. at 17-18. The Pipeline will be immersed in the Kirkwood-Coahanse Aquifer along much, if not most, of its length. Id. at 18 (citing Montgomery Declaration Exhibit 17, "Coppola Report", at 46-47). The Pipeline will be susceptible to leakage or failure due to fatigue, particularly where it lies beneath a road bed. Id. at 19 (citing Montgomery Declaration Exhibit 15, Cooper and Sovacool Report, at 32-42). Natural gas leaks into the aquifer and streams may cause significant damage to these natural resources, including an acute risk to aquatic species. Id. (citing Montgomery Declaration Exhibit 17, Coppola Report, at 46-47).

According to PPA, the Proposed Pipeline also poses a serious threat to any rare plants growing along the road shoulder. SJG claims that its placement of the Pipeline along existing roadways thereby avoids environmentally sensitive areas. Id. at 19 (citing Montgomery Declaration Exhibit 18, Trident Environmental Services, "Threatened and Endangered Species Habitat Suitability Assessment & Survey Report," February 4, 2013 at 4). But in fact, the reverse is true: rare plants often grow in *greater* abundance along linear lines and roadways because it creates the early-successional habitat which is most suitable to many rare plant species. Id. at 19-20 (citing Montgomery Declaration Exhibit 19, letter from G.J. Juelg Consulting to Carleton Montgomery, October 19, 2015 at 1-2).

Lastly, PPA asserts that alternative routes exist that would ease the burden on the natural resources of the Pinelands. The Board must consider the advantages and disadvantages of the Proposed Pipeline route in comparison to the available alternatives. Id. at 20 (citing In re Public Service Elec. and Gas Co., 2013 WL 490171 at 8 (N.J. App. Div. Feb. 11, 2013)). There are alternative routes which avoid the Pinelands Forest Area and offer several advantages over SJG's preferred route. Therefore, the Pipeline should not be found "necessary for the service, convenience or welfare of the public." N.J.S.A. 40:55D-19. Id. at 21.

#### **IV. POST-HEARING REPLY BRIEFS**

##### **A. SJG**

On November 4, 2015, SJG filed a response to PPA's post-hearing brief ("SJG Reply Brief"). Exhibit A to the reply brief is a letter from John Gray of NJDEP, to Robert Fatzinger, of SJG, dated May 14, 2015. Exhibit B to the reply brief is a report prepared by Scott Gass, Principal Engineer at PowerGEM, entitled "Review of Pinelands Preservation Alliance Declaration," dated November 4, 2015.

In its response, SJG initially argues that by its October 20, 2015 Order granting participant status to the PPA, the Board limited PPA's rights to the rights to argue orally and file a statement or brief on the factors to be reviewed by the Board in determining whether the Project is reasonably necessary for the service, convenience or welfare of the public. PPA was not afforded the right to present evidence. PPA does not and did not have the right to present evidence, nor cross examine witnesses at the evidentiary hearing, which is consistent with N.J.A.C. 1:1-16.6. Accordingly, the declaration of Carleton Montgomery ("Declaration") should therefore be treated as "public comment" which could have been submitted in response to the invitation at the public hearing to submit public comments. SJG Reply Brief at 1.

Nevertheless, whether the Board considers the Declaration as evidential or as public comment, SJG asserts that the Declaration does not alter the conclusion which should be reached by the Board in this matter-- that the Project is reasonably necessary for the service, convenience or welfare of the public. In accordance therewith, the zoning, site plan review and other municipal land use requirements, ordinances and regulations adopted pursuant to N.J.S.A. 40:55D-1 et seq., the MLUL shall not apply to the Project. The evidence in the record clearly supports that conclusion. Id. at 2.

SJG argues that the Declaration does not overcome the probative evidence before the Board that the Pipeline route chosen by the Company is reasonably necessary for the service, convenience or welfare of the public. W&C was engaged by the Company to analyze the route selected by the Company, and numerous alternative routes. In its study, entitled "South Jersey Gas – B. L. England Gas Route Analysis and Report," Woodard and Curran, (June 18, 2012) ("W&C Study"), W&C considered numerous factors, relevant to each proposed route, including environmental factors, and concluded that the route chosen by the Company "would not have significant environmental or community impacts . . ." Id. at 2-3 (citing to Exhibit P-4A and Schedule RAB-7 at 21). Black & Veatch also reviewed the W&C Study, and concluded that the selection of the route chosen for the Project was the most prudent balance of technical viability and cost effectiveness. Id. at 3-4 (citing to Exhibit P-6 and Schedule RAF-2 at 5).

SJG states that NJDEP has also concluded that the route chosen for this Project has less environmental impact than any other alternative based upon wetlands impacts, potential adverse impacts to threatened and endangered species habitat, and minimization of stream and open water crossings. Id. at 4 (citing to Exhibit A).

The Company further states that the alternatives analysis submitted by SJG demonstrates that the Petition should be granted, consistent with prior Board decisions. As the Appellate Division noted with approval in In re Public Service Electric and Gas Company, 2013 WL 490171 (App. Div. 2013) (unpublished) at 3, "[a]s for different routes for the Project itself, the Board found that Public Service Electric and Gas Company, ("PSE&G") appropriately rejected two (2) alternative routes, which would have resulted in greater environmental impacts, by crossing more forested land and wetlands, and more within the Highlands Preservation Area." This is similar to the situation involving the chosen route of the Company. Id. at 4.

Furthermore, SJG asserts that NJDEP has extolled the virtues of a repowered B.L. England. NJDEP stated in a memorandum to Nancy Wittenberg, the Executive Director of the Pinelands Commission, that repowering of B.L. England ". . . will very significantly reduce both actual and allowable air pollutant emissions at the [B.L. England Station]. Id. at 5 (citing to Exhibit P-5A, and Schedule. RA-5 at 2). NJDEP went on to state the following:

“Based on the actual emissions reduction, the following benefits over the Pinelands Area were predicted:

- (1) Up to 40.9% reduction in the maximum existing background 1-hour sulfur dioxide (SO<sub>2</sub>) concentrations; and
- (2) Up to 41.4% reduction in the maximum existing background 3-hour sulfur dioxide (SO<sub>2</sub>) concentrations.”

Id.

In addition, SJG argues that the documents appended to the Declaration further support the need for and the environmental benefits flowing from the Project, and not the opposite as claimed. PPA submits two (2) reports purporting to support the opposite of the prior findings of the Board and of the Pinelands Commission that the repowering of B.L. England is reasonably necessary to electric system reliability and that the Project will not pose an unreasonable threat to Pinelands natural resources. Id. (citing to Montgomery Declaration Exhibit 15, Cooper and Sovacool Report, and Exhibit 17, Cappola Report). According to SJG, these reports do nothing to alter prior findings on the need for the Project and the substantial environmental benefits it will generate. The Cooper and Sovacool report purports to rely upon PJM studies to support the conclusion that “the retirement of B.L. England would not result in overloading on existing circuits and therefore...that [PJM] did not intend to recommend system upgrades to solve these issues.” Id. at 6 (citing to PPA Brief at 16 and Montgomery Declaration Exhibit 15, Cooper and Sovacool Report at 18). However, SJG submits that the report is riddled with misstatements and inaccuracies. There is no question that PJM has concluded in multiple reports that the closure of B.L. England will produce a host of cascading violations of North American Electric Reliability Corporation (“NERC”) standards on multiple circuits within the region of the B.L. England plant, many of which serve load within the Pinelands. Id. at 5-6. SJG maintains that the November 4, 2015 report prepared by Mr. Gass and attached as Exhibit B to its reply fully rebuts the Cooper and Sovacool Report filed by PPA as part of the Declaration.

SJG further submits that the Cappola Report, “The Risks to Waters Within the Pinelands from the Proposed South Jersey Gas Natural Gas Pipe Line” (Montgomery Declaration Exhibit 17), is nothing more than an improper attempt to collaterally attack the wisdom of the State’s regulations finding that natural gas pipelines are safe and reasonable. Id. at 6 (citing to N.J.A.C. 7:7-15.4(i)5; N.J.A.C. 7:50-5.23(b)12; N.J.A.C. 7:7A-5.2). If PPA believes that the State should amend its current regulations permitting the construction of natural gas pipelines within the Pinelands, the PPA should submit a petition for rulemaking setting forth the changes it believes are necessary. However, the current proceeding is not the proper venue for this challenge. Lastly, SJG states that despite the great lengths to which PPA goes in its attempt to demonstrate that natural gas pipelines pose a grave risk to groundwater, it fails to cite a single instance of a natural gas transmission or distribution pipeline contaminating an aquifer or a surface water body. The entire Cappola Report rests upon supposition that flies in the face of reality. Id. at 6.

## **B. PPA**

On November 23, 2015, PPA filed a sur-reply enclosing a letter from Mr. Cooper entitled “Response to PowerGEM Review of PPA Exhibit 15.” According to PPA, Mr. Cooper’s letter was submitted for “the narrow purpose of responding to the technical issues raised in the



PowerGEM report,” and should not be construed as PPA’s concession to any other points raised by SJG and not directly responded to in Mr. Cooper’s letter. See PPA sur-reply at 1.

## V. TESTIMONY PRESENTED

### A. The Need for the Project

#### 1. Testimony of Mr. Maiz

The direct testimony of James Maiz was filed with the petition and attached to pre-filed testimony of Mr. Russell Arlotta. Mr. Arlotta adopted the testimony of Mr. Maiz at the evidentiary hearing.<sup>10</sup> Mr. Maiz is a partner in Rockland Capital, a private equity company that acquires and develops select investment opportunities in North American and European power and energy infrastructure markets. RA-1 2:6-10. He is responsible for the origination, evaluation and closing of the Rockland acquisitions and has taken the lead on the commercial management of several Rockland portfolio companies. He has over fifteen (15) years of experience, both technical and commercial, in the domestic energy industry. He has held positions at El Paso Merchant Energy, with the Royal Dutch/Shell group of companies, was involved power plant development at Coral Energy and the acquisition and development of domestic natural gas properties at Shell Exploration and Production Company. RA-1 2:13-22. He received a Master’s degree in Business Administration from Tulane in 1997 and a Bachelor of Science in Engineering from the University of South Florida in 1992. Exhibit RA-1 2:22-3:2.

Mr. Maiz provided background information and a general overview of B.L. England. The facility is a 447-megawatt electricity generation facility. It is powered by two (2) 1960s-era coal units (155 MW and 129 MW), one (1) 1970s-era residual oil unit (155 MW) and four (4) two (2) MW diesel generators. R.C. Cape May acquired the facility in early 2007 from Atlantic City Electric (“ACE”). The facility currently operates as a merchant power plant selling electricity and capacity in the PJM Power market. Exhibit RA-1 3:19-23.

In performing environmental work at the site, R.C. Cape May has provided significant support to the local community by employing more than eighty (80) individuals (approximately sixty (60) of whom are members of organized labor unions) that comprise a total payroll of \$13 million. In addition, the facility maintenance adds approximately Three (3) to five (5) million dollars to the economy of southern New Jersey. Further, R.C. Cape May has invested sixty-five (65) million dollars as of the date of Mr. Maiz’s testimony with respect to the acquisition of the facility related to air and water discharge pollution controls and site remediation efforts. R.C. Cape May has also spent five (5) years in coordinated efforts with State and federal environmental regulators to devise the optimal long-term plan for the facility, which the company has determined to be a conversion to combined-cycle natural gas. Exhibit RA-1: 3:23-4:8.

In describing the recent history of environmental compliance at B.L England, Mr. Maiz stated that on January 24, 2006, ACE entered into an ACO with NJDEP. The ACO resolved allegations by NJDEP that ACE and affiliated companies had violated environmental statutes. As a result, ACE and affiliated companies were responsible for either shutting down the facility or selling it to a third party who would install pollution control equipment to meet performance standards reflecting the best available control technology for emissions, and undertake soil as well as groundwater remediation. Exhibit RA-14:11-5:2.

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<sup>10</sup> Mr. Maiz’s direct testimony was marked as Exhibit RA-1.

On January 13, 2010, NJDEP and R.C. Cape May entered into an amendment to the ACO which allowed a revised timeline to either repower the facility or to meet the performance standards in the ACO. On May 18, 2012, R.C. Cape May and NJDEP entered into the 2012 ACO Amendment, which allows unit one (1) and unit two (2) to continue to operate, under certain conditions, and establishes critical timeframes relative to repowering or shut down of the facility. R.C. Cape May continues to operate B.L. England pursuant to the 2012 ACO Amendment. Exhibit RA-15:3-8.

On December 6, 2011, the State of New Jersey issued the Energy Master Plan (EMP), which set forth several State energy goals, including the promotion of new, clean, in-state electricity generation and capitalization on emerging technologies for transportation and power production. In order to achieve these goals, the EMP specifically discusses the expansion of existing natural gas pipelines to support new, gas-fired electricity generation throughout the State but particularly in southern New Jersey, which lacks adequate natural gas infrastructure to support such new generation facilities. Exhibit RA-15:20- 6:5, citing EMP at 85. R.C. Cape May determined that the conversion from the facility's coal-fired generation to gas-fired generation was required in order to align its future with the New Jersey's energy and environmental goals as stated in the EMP. Exhibit RA-16:6-8.

Originally, this plan to redevelop the B.L. England plant was to be accomplished by retiring the steam turbine for unit one (1), refurbish the steam turbine for unit two (2) and connect it to the new combustion turbine and the Heat Recover Steam Generator ("HRSG"), creating a large generating unit which will generate 403 MW's of power under summer conditions (430 MW in winter). In order to do so, a high pressure natural gas line must be installed in order to provide the facility with natural gas. Exhibit RA-1 9:5-7. Conversion of the facility enables the southern part of the State to be less dependent on generators from northern New Jersey and provides localized power to the regional grid as it did during Superstorm Sandy. Exhibit RA-1 10:17-19.

In addition, with the retirement of Oyster Creek in 2019 and the load growth in Southern New Jersey, power must be replaced either by extending transmission wires, or by constructing additional local generation. Exhibit RA-1 7:15-19. The environmental benefits to repowering the facility to natural gas, which obviously results in cleaner air, also run to our aquatic and land environments that are consistent with the EMP. Exhibit RA-1 11:1-4.

## 2. Testimony of Mr. Arlotta

As previously noted, at the October 21, 2015 evidentiary hearing, SJG presented Russell S. Arlotta, who testified concerning the need for the Project through pre-filed and live supplemental testimony.<sup>11</sup>

Through his testimony, Mr. Arlotta supplemented the direct testimony of James Maiz that concerned the necessity to construct the Pipeline that will provide natural gas to B.L. England to allow it to be converted from a coal-fired electric generating station to a natural gas electric generating station. Exhibit P5-A 3:23-4:7.

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<sup>11</sup> Mr. Arlotta's direct testimony is marked as Exhibit P5-A.

Mr. Arlotta is Vice President of Asset Management and Development for R.C. Cape May. Mr. Arlotta has been contracted to provide power and generation asset management and development services for R.C. Cape May and B.L. England since 2014. Exhibit P5-A1:5-20.

Mr. Arlotta is a licensed professional engineer in New Jersey who has a Project Management Professional Certification from the Project Management Institute. He spent thirty-one (31) years at Public Service Enterprise Group where he gained technical experience of in all facets of power generation. Exhibit P5-A2:22-3:14

Mr. Arlotta testified that he endorses and adopts Mr. Maiz's testimony, but since the date of the filing of Mr. Maiz's testimony with the Petition two (2) years ago, development plans at B.L. England have changed which requires supplementation of that testimony. Exhibit P5-A3:23-4:7.

R.C. Cape May's original plan was to retire both coal fired steam boilers for units one (1) and two (2) and repower with a new state-of-the-art combustion turbine and Heat Recovery Steam Generator ("HRSG"). R.C. Cape May also intended on refueling and refurbishing Unit 3. Since Mr. Maiz's testimony, there have been delays in the construction of the repowered facility, driven by delays in obtaining natural gas to the facility. During those delays, R.C. Cape May has continued to evaluate the repowering project considering evolving market demands, obligations related to plant reliability and a desire for energy efficiency. Based upon this analysis, R.C. Cape May still plans on repowering the facility with a new combined cycle unit utilizing the steam turbine from unit two (2) with a new state-of-the-art combustion turbine and HSRG. However, it is R.C. Cape May's intention to retire unit three (3) rather than refuel and refurbish that unit. Further R.C. Cape May intends on incorporating the combustion of Ultra Low Sulfur Diesel ("ULSD") as a backup fuel for the combined cycle unit to maintain reliable operations in order to meet recently approved PJM, Interconnection, LLC ("PJM") capacity performance standards. There are several existing electric diesel generators that also will be retired. The result will be a clean, efficient, economical new combined cycle unit that will be named the Cape May Energy Center ("CMEC"). Exhibit P5-A 4:9-5:5.

Mr. Arlotta testified that the need for backup fuel is based upon recently enacted reliability requirements. In June 2015, the Federal Energy Regulatory Commission ("FERC") approved substantial revisions to PJM's capacity market that are intended to enhance reliability of the transmission grid during periods of high grid stress and peak electric demand days. This was in response to the overall poor generator performance in PJM during the Polar Vortex of 2014. The program, known as the Capacity Performance ("CP") program, is intended to result in larger capacity payments for the most reliable resources (including performance bonus payments for over-performing participants), but also very high penalties for non-performers (non-performance charges). The CP is a "no excuses" program in that gas-fired power plants, such as a repowered B.L. England, cannot use outages such as interruption of gas supply due to cold weather as an excuse not to generate electricity. Gas fired power plants are required to either pursue firm gas contracts from their suppliers, or consider a backup fuel. The Facility's gas contract could not be converted to a 365 day firm contract necessary to support unit operations and reliability during peak-load, system alerts, and extreme weather conditions. Therefore, R.C. Cape May is required to add ULSD as a backup fuel as a result of FERC-approved PJM CP requirements. Exhibit P5-A 5:7-23.

Mr. Arlotta testified that the need for natural gas and the commitments previously negotiated with SJG remain the same. R.C. Cape May has a twenty (20) year contract ("FES Agreement") with SJG to obtain a supply of natural gas to power the B.L. England. The FES Agreement

requires SJG to use the Pipeline to supply gas to B.L. England on at least 350 days per year (at least ninety-five (95) percent of the time). Exhibit P5-A 6:1-13.

Mr. Arlotta testified that B.L. England still provides critical energy benefits to New Jersey, as outlined by Mr. Maiz's testimony. Further, R.C. Cape May recently asked PowerGEM to update its 2013 report, and PowerGEM continues to conclude that the majority of the electricity produced by B.L. England would be distributed to the Pinelands. PowerGem further concludes that if B.L. England is retired, at least seven (7) additional circuits, and possibly more, would become overloaded. Exhibit P5-A 6:14-23.

According to Mr. Arlotta, the repowering of B.L. England from coal to natural gas will still bring significant environmental benefits to New Jersey. The potential emissions of the repowered facility based upon the current plans were compared to past actual emissions for the coal units. This updated analysis supports the continued conclusion that there will be a reduction in criteria pollution. Exhibit P5-A7:1-8.

Mr. Arlotta discussed the 2013 NJDEP study of the improvements of actual emissions for B.L. England's coal units one (1) and two (2) for the baseline period of 2008-2009 compared to the combined cycle unit. NJDEP's analysis and emission rate comparison pound/megawatts per hour ("lb/MW-hr") stated that: potential annual nitrogen oxide ("NOx") emissions from the repowered facility (including the combined cycle unit and auxiliary boiler) are 97.91 tons per year ("TPY"), 76% below 2008-2009 actual annual NOx emissions for units one (1) and two (2) of 414.0 TYP; potential annual sulfur dioxide ("SO<sub>2</sub>") emissions from the repowered Facility are 14.76 TYP, 97% below 2008-2009 actual annual SO<sub>2</sub> emissions for Units 1 and 2 of 565 TPY; potential annual PM2.5 emissions from the repowered facility are 85.61 TPY, 27% below 2008-2009 actual annual PM2.5 emissions for units 1 and 2 of 118 TPY. The emission rate improvements for the combined cycle unit are: NOx rate is 0.0495 lb/MW-hr, or 95% lower than units one (1) and two (2) rate of 1.0551 lb/MW-hr, 96% lower than grid replacement power rate of 1.3913 lb/MW-hr; SO<sub>2</sub> rate is 0.0074 lb/MW-hr, or 99.5% lower than units one (1) and two (2) rate of 1.4400 lb/MW-hr, 99.8% lower than grid replacement power of 3.8673 lb/MW-hr; PM2.5 rate is 0.0434 lb/MW-hr, or 85% lower than Units 1 and 2 rate of 0.3007 lb/MW-hr, 87% lower than grid replacement power rate of 0.3370 lb/MW-hr; carbon dioxide rate is 773.3 lb/MW-hr, or 61% lower than units one (1) and two (2) rate of 1973.3 lb/MW-hr, 51% lower than grid replacement power rate of 1562.7 lb/MW-hr. These reductions are in light of the combined cycle unit (447 Mw) having more capacity than the coal units (284 Mw). These updates do not reflect additional emission reductions that will be achieved through shutdown of unit three (3) and the four (4) two (2.0) MW diesel generators. Exhibit P5-A7:1-8:18.

Mr. Arlotta testified that the retirement of unit three (3) has the environmental benefit of a further reduction in the use of cooling water. The repowered facility will use state-of-the-art technology, including dry low-NOx combustion during gas combustion and water injection during USLD combustion, along with selective catalytic reduction under both scenarios, to control NOx. An oxidation catalyst will be utilized to reduce emissions of carbon monoxide. The use of ULSD ensures that emissions of sulfur are minimized during oil operations. Further, the plan as designed will have lower carbon dioxide emissions, and will be optimized with good combustion controls to minimize overall emissions. Exhibit P5-A 8:11-18.

Mr. Arlotta further testified that the facility continues to be under the environmental compliance requirements of the ACO mentioned in Mr. Maiz's testimony; however, the ACO was amended to extend the compliance dates and takes into account operations at unit three (3). In July 2014, R.C. Cape May and NJDEP signed an ACO Amendment ("2014 Amendment") which

continues to allow unit two (2) to operate until May 1, 2017, after which the unit is to cease operating pending completion of the repowering of unit two (2). In addition, the 2014 Amendment governs operations of unit three (3) pending the anticipated repowering to natural gas. B.L. England continues to operate under the 2014 Amendment. Exhibit P5-A8:19-9:4.

Mr. Arlotta concluded that the repowering of B.L. England is necessary for the service, convenience, and welfare of the public. Furthermore, the repowering B.L. England benefits New Jersey's energy system, furthers New Jersey's policy goals and the EMP, and provides energy security benefits and environmental benefits to the State. Exhibit P5-A 9:5-11.

On October 9, 2015, an updated study entitled "Benefits to Pinelands Area of B.L. England Repowering: Updated Analysis" was completed to incorporate additional changes that have occurred since the October 2013 report prepared for R.C. Cape May by PowerGEM. First, the size of the repowered facility is projected to be 447 MW instead of the 570 MW that was assumed in the prior reports. In addition, the report indicates that PJM completed an analysis in 2014 which identified a substantial number of overloaded circuits if the existing B.L. England units retire and are not repowered. Exhibit RA-4 at 1.

Previously, in May 2012, a study was completed to determine the approximate percentage of electricity to be generated by a repowered B.L. England that will be distributed to load within the "Pinelands Area," which includes both the State designated Pinelands Area and the Federal Pinelands National Reserve Area. Id.

In October 2013, the study was updated to incorporate certain changes which significantly impacted the analysis. Several combustion turbine ("CT") retirements were announced which had a direct impact on the results. Additional studies were also performed to determine any expected overloaded circuits in proximity to the Pinelands Area due to the retirements coupled with the retirement Oyster Creek under the scenario where B.L. England could not repower. Id.

For the updated analysis, only B.L. England's size was modified. In comparing the Pinelands Area map and the New Jersey transmission map, the transmission facilities associated with the Pinelands Area and the corresponding load were determined. Id.

For the 2016 summer peak load flow model, the total load within the Pinelands Area is estimated to be approximately 930 MW. Id. at 2.

Prior to Oyster Creek retiring, generation in proximity to the Pinelands Area would total 1,485 MW and consists of Oyster Creek (615 MW), the repowered facility (570 MW) and several small combustion turbines (300 MW). Assuming that the local generation all contributes in equal proportion to the Pinelands Area load, forty-eight percent (48%) of the B.L. England energy would be distributed to the load within the Pinelands Area. Id.

Under the 2016 Regional Transmission Expansion Planning RTEP model, after Oyster Creek retires, the total generation in proximity to the Pinelands Area would be 870 MW and would consist of the repowered facility (570 MW) and several smaller CTs (300 MW).<sup>12</sup> Assuming that the local generation all contributes in equal proportion to the Pinelands Area load, sixty-five (65) percent of the B.L. England energy would be distributed to load within the Pinelands Area. Id.

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<sup>12</sup> RTEP is an annual PJM transmission planning process where all assumptions, analyses and decisions are subject to stakeholder review and participation.

The life of the repowered facility is estimated to be forty (40) years and the Oyster Creek license expires in 2019. Accordingly, for the first four (4) years (ten (10) percent of B.L. England's life), thirty-eight (38) percent of B.L. England's energy would be distributed to the Pinelands Area load and for the remaining thirty-six (36) years (ninety (90) percent of B.L. England's life), sixty-five (65) percent of B.L. England's energy would be distributed to the Pinelands Area load. Therefore, over the life of the repowered facility, approximately sixty-two (62) percent of the energy produced by B.L. England would be distributed to the estimated load within the Pinelands Area. Id.

A prior PJM study indicated that the retirement of Oyster Creek would require new transmission upgrades that presumably would be located either within or in proximity to the Pinelands Area. Id.

**a. Results of the September 2013 Analysis**

For the 2018 summer peak load flow model, the total load within the Pinelands Area is approximately 933 MW. Id.

Under the 2018 model, prior to Oyster Creek retiring, the total generation in proximity to the Pinelands Area would be 1277 MW and consist of Oyster Creek (615 MW), a repowered B.L. England (570 MW) and several smaller CTs (92 MW). Assuming that the local generation all contributes in equal proportion to the Pinelands Area load, the contribution of B.L. England distributed to the load within the Pinelands Area would increase to forty-five (45) percent. Id.

After Oyster Creek retires, generation in proximity to the Pinelands Area would total 662 MW and would consist of a repowered B.L. England (570 MW) and several smaller CTs (92 MW). Assuming that the local generation all contributes in equal proportion to the Pinelands Area load, eighty-six (86) percent of the B.L. England energy would be distributed to the estimated load within the Pinelands Area. Id.

As with the 2016 study, the life of the repowered facility is estimated to be forty (40) years and the Oyster Creek license expires in 2019. Over the life of the facility, approximately eighty-four (84) percent of the B.L. England energy would be distributed to the estimated load within the Pinelands Area. Id. at 3.

An additional study was completed using the PJM 2018 RTEP model to determine if there would be any overloaded circuits in proximity to the Pinelands Area after the CTs and Oyster Creek are retired. A second study was also performed assuming that B.L. England was repowered. By performing studies both with and without B.L. England repowered, any impacts to the transmission in proximity to the Pinelands Area due to the B.L. England generation repowering could be identified. Id.

All transmission limits were calculated under contingency conditions according to the PJM reliability criteria and relevant procedures such as the PJM generator deliverability test. Id.

According to Mr. Arlotta, the September 2013 analysis demonstrated that B.L. England's presence as a power generating facility remains critical now that there appear to be additional retirements prior to June 2015 of smaller, peaking CTs in the Pinelands region. Based upon PJM's own models, the retirement of B.L. England will negatively impact eight transmission circuits in proximity to the Pinelands Area. Overloaded circuits will be considered transmission

violations by PJM and, therefore, require a solution to avoid the consequences of overloads, including the potential for blackouts. A prior PJM study had indicated that the retirement of Oyster Creek would result in at least \$100 million in new transmission or transmission upgrades. The continued retirements of CTs would likely exacerbate this need to transmission upgrades. Id.

There were eight (8) overloaded circuits in proximity to the Pinelands Area that were identified which would not be overloaded if B.L. England is repowered. Id.

**b. Results of the Updated October 2015 Analysis**

As stated, for the 2018 summer peak load flow model, the total load within the Pinelands Area is approximately 933 MW. Id. at 6.

Under the 2018 model, prior to Oyster Creek retiring, the total generation in proximity to the Pinelands Area would be 1277 MW and consist of Oyster Creek (615 MW), a repowered B.L. England (447 MW) and several smaller CTs (92 MW). Assuming that the local generation all contributes in equal proportion to the Pinelands Area load, the contribution of B.L. England distributed to the load within the Pinelands Area would increase to thirty-nine (39) percent. Id.

After Oyster Creek retires, generation in proximity to the Pinelands Area would total 539 MW and would consist of a repowered B.L. England (447 MW) and several smaller CTs (ninety-two (92) MW). Assuming that the local generation all contributes in equal proportion to the Pinelands Area load, eighty-three (83) percent of the B.L. England energy would be distributed to the load within the Pinelands Area. Id.

The life of a repowered B.L. England is still estimated to be forty (40) years and the Oyster Creek license expires in 2019. Over the life of the repowered facility, approximately 83% of the B.L. England energy would be distributed to the load within the Pinelands Area. Id.

At the June 2014 Transmission Expansion Advisory Committee (“TEAC”) meeting, PJM identified the need for nine (9) upgrades that would be required if B.L. England retires and is not repowered. The most substantial of these are b2476 (Install New Dennis 230/69kV transformer), b2478 (Reconductor Sherman – Lincoln 138kV), b2479 (New Orchard – Cardiff 230kV), b2480.1 (New Upper Pittsgrove – Lewis 138kV), b2480.3 (New Landis – Lewis 138kV), b2481 (New Cardiff – Lewis #2 138kV). All of these upgrades are either within or in proximity to the Pinelands Area. PJM has stated that, “the need for the upgrades will be re-evaluated if assumptions about B.L. England generation change.” Id.

Seven (7) additional overloads attributed to the retirement of B.L. England were identified at the September 2014 TEAC meeting. PJM has not yet sought solutions to these overloads and stated that “the need to upgrade these facilities will be re-evaluated if the generation does not deactivate.” Id. at 7. All but one (1) of the additional overloaded circuits are either within or in close proximity to the Pinelands Area. Id.

PJM’s most recent analysis in 2014 indicates a substantial number of new and/or upgraded circuits will be required either within or in close proximity to the Pinelands Area if B.L. England retires. Id.

## **B. Overview of Project and Construction/Engineering**

At the October 21, 2015 evidentiary hearing, SJG presented the pre-filed and live testimony of Richard A. Bethke to discuss construction and engineering of the Project. Mr. Bethke is a Senior Engineer for SJG and has been managing the design and permitting for the Project for approximately forty-two (42) months. P4-A 1:19-2:9.<sup>13</sup> Through his testimony, Mr. Bethke discussed the current configuration of the transmission and distribution infrastructure, the need for the Project, the alternative routes considered for the Project and associated construction cost estimates required to provide delivery system redundancy to existing customers in Atlantic and Cape May Counties and to provide natural gas service to B.L. England, the municipal land use approvals required for the construction of the Project, as well as pipeline safety in general. Exhibit P-4 4:8-12.

Mr. Bethke testified that additional transmission and distribution infrastructure is needed to safely and reliably provide service to SJG's customers in Cape May and Atlantic Counties. The gas supply to the existing residential and commercial customers of Cape May County is presently provided through over twenty (20) miles of single-feed twenty (20) inch and sixteen (16) inch diameter pipeline installed in various segments between 1977 and 2005. In the event of a system upset condition anywhere along this twenty (20) mile section of transmission pipeline supply feed, it could potentially jeopardize service to more than 60,000 downstream customers in Cape May County. Exhibit P-4 6:11-21. The pipeline system is vulnerable to damage from careless third-party excavators and other external forces, which could interrupt service to tens of thousands of customers for multiple months at a time. There is no other location in the SJG system with a single upset vulnerability condition anywhere near this level of magnitude as it currently exists for SJG's Cape May County customers. Service would potentially be interrupted for multiple months because the pipeline system would need to be brought into service by repair or replacement and this could take four (4) to (8) weeks. Once the pipeline was restored, each customer's service would need to be restored, which could require several months to complete. Exhibit P-4 6:22-7:14.

Mr. Bethke testified that the building of additional transmission infrastructure is important because if the system upset condition occurs on the north-south segment of the twenty (20) inch or sixteen (16) inch transmission pipeline supplying Cape May County, such as between Estell Manor in Atlantic County and Tuckahoe in Cape May County, it could potentially affect all of the 60,882 SJG customers supplied in Cape May County. Further, if the system upset condition were to be a full pipeline break which occurred on the east-west segment of the twenty (20) inch transmission pipeline supplying Cape May County, such as between Union Road and Route 50, it could potentially affect approximately 120,000 customers in both Cape May and Atlantic Counties, even with McKee City vaporizing liquefied natural gas ("LNG") on a 2F design day, or as many as 142,000 customers with McKee City available on a 20F day. The Pipeline route to supply B.L. England provides the unique opportunity to address an upstream system contingency liability for SJG's customers in both Atlantic and Cape May Counties, while simultaneously providing the system capacity foundation for a pipeline extension to supply clean burning natural gas to B.L. England, which is presently a coal and oil-fired generating facility. Exhibit P-4 8:9-9:13.

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<sup>13</sup> Mr. Bethke's supplemental direct testimony was marked as Exhibit P4-A, and his direct testimony was marked as Exhibit P-4.



Mr. Bethke stated that, with no upstream supply system upset condition, there would be consequences if additional transmission infrastructure is not built. As depicted in the Black & Veatch Cost Allocation Study ("Black & Veatch Study"), Table 3 attached to the direct testimony of Russell A. Feingold indicated that there are multiple scenarios of customer interruptions depicted depending on the upset condition and forecast loading (temperature) conditions. Exhibit P-4 9:14-9:20.

In addition, the Pipeline will provide gas transportation service to B.L. England to enable its conversion from a coal and oil electrical generation power plant to a facility that burns natural gas. This is important because the NJDEP ACO requires that B.L. England either repower or shut down permanently. There are numerous environmental benefits from the conversion, and there will be significant reduction in surface water withdrawals from the Greater Egg Harbor Bay. It will also eliminate the delivery and storage of coal and potentially hazardous materials associated with operating a coal and oil plant that are not required with operating a gas fired plant. Exhibit P-4 9:21-10:12.

B.L. England is important to southern New Jersey because it is the only base load power generator located in Southeastern New Jersey. The capacity requirement for power generation in this area will increase when Oyster Creek is retired. In addition, B.L. England is centrally located to provide support for the potential development of offshore wind as a renewable resource which is also a component of the EMP. B.L. England continued to operate and feed the power grid during Super Storm Sandy. The repowering of B.L. England will bring additional jobs to Upper Township and enable Upper Township to continue to receive millions of dollars in property taxes and host fee revenues that are essential to the municipality's services. Exhibit P-4 10:13-11:4.

The addition of B.L. England will have a significant impact on the Company's demand on its infrastructure serving Cape May and Atlantic Counties. SJG currently supplies natural gas service to approximately 360,000 customers. The proposed natural gas consumption at B.L. England would be approximately equal to the full connected load of 25,000 single-family homes on an hourly basis, or the annual consumption of more than 210,000 residential customers at a single point location. Mr. Bethke stated that B.L. England's peak loads during the summer generating season will "fit nicely" within the traditional SJG load profile. Exhibit P-4 11:5-15.

B.L. England cannot be served with the existing SJG transmission and distribution infrastructure. The facility will require an upstream SJG transmission infrastructure improvement of the same size and length (fourteen (14) miles of twenty-four (24) inch pipeline) as is required for SJG to provide a fully redundant supply feed to its customers in Cape May and Atlantic Counties. P-4 11:16-22. B.L. England will require a further downstream SJG transmission infrastructure improvement of eight (8) miles of twenty-four (24) inch pipeline which is dedicated to supply the anticipated load of the generating station. Exhibit P-4 12:1-6.

The infrastructure needed for B.L. England is complementary to the infrastructure needed to increase reliability of service to the remainder of Cape May and Atlantic Counties. The upstream Reliability Line improvement involving fourteen (14) miles of twenty-four (24) inch pipeline necessary to provide a redundant supply feed to the existing SJG customers in Atlantic and Cape May Counties is identical to the upstream improvement required to supply B.L. England. However, the downstream improvement involving eight (8) miles of twenty-four (24) inch pipeline dedicated to supply B.L. England (the Dedicated Line) provides no benefit to the balance of the SJG system. Exhibit P-4 12:7-16.

Mr. Bethke stated that the Project is necessary for the Company and its customers because the Dedicated Line will provide gas transportation service to B.L. England to enable its conversion from a coal and oil-burning electrical generation power plant to one that burns natural gas. The Reliability Line will improve reliability and reinforce enhancements for SJG's customers served in the eastern and southern portions of its service system. Currently, if an incident were to occur on the north south segment of the twenty (20) inch and sixteen (16) inch feed to Cape May, as many as 60,000 customers could lose service. If an incident were to occur along the east west segment of the twenty (20) inch feed then as many as 142,000 customers could lose service within Atlantic and Cape May counties. Installation of the Reliability Line will eliminate customer outages for these potential situations. Exhibit P-412:21-13:10.

Mr. Bethke testified that the Company retained W&C to consider all possible routes. These included the following:

Route A – The construction of a twenty-one and sixth-tenths (21.6) mile, twenty-four (24) inch diameter, 700 pounds per square gage (“psig”) Maximum Allowance Operating Pressure (“MAOP”) transmission pipeline from Union Road and Route 49 in Cumberland County to B.L. England at Beesleys Point in Upper Township, New Jersey. The pipeline would run predominately within public right-of-ways (“ROW”), and would consist of both a Reliability Line segment and a Dedicated Line segment.

Route B – The construction of a ten and five-tenths (10.5) mile, twenty-four inch (24) diameter, 700 psig MAOP transmission pipeline from County Route 559/Ocean Heights and Egg Harbor Road in Hamilton Township to B.L. England at Beesleys Point in Upper Township, New Jersey. This pipeline would also run predominately within public right-of-ways, would include a long (7,000’) and technically challenging section installed by high directional drilling, and would consist only of a Dedicated Line segment, with no Reliability benefits provided to the existing SJG system.

Route C – The construction of a twenty-nine (29) mile, twenty-four (24) diameter, 700 psig MAOP transmission pipeline from Union Road and Route 49 in Cumberland County to B.L. England at Beesleys Point in Upper Township, New Jersey. This Route has the same starting and ending points as Route A, but is located further south to follow/parallel an abandoned railroad ROW across private properties.

After discussions with representatives of the Pinelands Commission, and a review of the benefits provided by an alignment which provides a secondary supply source to existing SJG customers in both Cape May and Atlantic Counties, a variation of Route A was originally selected. Route A consisted of an alignment which follows the public ROW along Route 49 into Tuckahoe, New Jersey. This route selection was based on constructability, environmental permitting considerations existing land use, adjacent population density to the Pipeline, and the ability to secure ROW. Exhibit P-4 14:3-15:2.

W&C recommended, and SJG concurred with, the variation of Route A as the preferred route alignment. Route A requires the acquisition of approximately two and two-tenths (2.2) miles of easements on private property to avoid siting the Pipeline immediately adjacent to an existing elementary school, and follows an existing disturbed electric transmission line corridor into B.L. England, as opposed to following the existing New Jersey Department of Transportation Route 9

public ROW through Beesley's Point in Upper Township. This route selection was based on constructability, environmental permitting considerations, adjacent population density to the Pipeline, and the ability to secure right of way. The final route alignment selected has included input from local elected officials, private property owners, NJDEP representatives, Pinelands Commission Staff, and the Reliability and Security staff at the Board. Exhibit P-4 16:11-17:3.

Through his supplemental testimony, Mr. Bethke presented a supplemental report authored by W&C entitled "Alternatives Analysis Addendum II to the June 18, 2012 South Jersey Gas – B.L. England Gas Route Analysis Report" dated April 2015. Exhibit RAB-7.

According to Mr. Bethke, this report was prepared to provide updated information and detailed assessments of anticipated impacts associated with a 'No Build' alternative plus four (4) additional routes that were evaluated by the Pinelands Commission staff including a route proposed by PPA. Exhibit P4-A 8:9-21. The conclusion was that the route selected, and previously approved by the Board is the "preferred route" for implementation of the Project. Exhibit P-4A 9:1-3.

Mr. Bethke initially testified that the total capital cost of the Project has been estimated to be ninety-one (91) million dollars for a twenty-two (22) mile long, twenty-four (24) inch diameter transmission pipeline consisting of Reliability and Dedicated segments. P-415:5-11. Based on preliminary bidding analyses and consultation with prospective contractors, Mr. Bethke later supplemented his testimony to state that it appears the total costs may exceed the initial ninety-one (91) million dollar estimate. Exhibit P4-A 9:15-20.

Mr. Bethke referred to the Black & Veatch Study, attached to the petition as Exhibit RAF-2. He stated that the Black & Veatch Study has apportioned \$52,134,431 to SJG's existing gas customers which is broken down as follows:

|                                       |                       |
|---------------------------------------|-----------------------|
| • Union Road Tie-In Station           | \$ 1,810,133.00       |
| • Union Road to Tuckahoe 24" Pipeline | \$48,557,093.00       |
| • Tuckahoe Interconnect Station       | <u>\$1,767,205.00</u> |
| Total                                 | \$52,134,431          |

The Black & Veatch Study has apportioned \$34,809,220 to \$38,850,372 depending on the final route alignment to B.L. England as follows:

|                                     |                       |
|-------------------------------------|-----------------------|
| • Tuckahoe to B.L. England Pipeline | \$ 32,514,669.00      |
| • Estimated ACE Right-of-Way Fee    | \$500,000             |
| • B.L. England Meter Station        | <u>\$1,794,551.00</u> |
| Total                               | \$34,809,220.00       |

Exhibit P-4 15:12-16:10.

The Company has to apply for local municipal approvals to undertake the Project. Specifically, the Tuckahoe Interconnection Station, two (2) remote operating valve ("ROV") stations, and the B.L. England Meter Station would all need approval, or potentially a waiver, from the Upper Township Planning Board. The Cumberland Pond Pigging Station would need Land Use Board approval in Maurice River Township. (RB 17:11-18). While the Pipeline runs through City of Estell

Manor along Route 49, it remains in the public ROW the entire time. The Pipeline will not require any land use approvals from the City of Estell Manor. Exhibit P-4 24:17-25:3.

Schedule RAB-1A is Mr. Bethke's diagram of the Project. The diagram depicts the Reliability Line and the Dedicated Line. The Dedicated Line is intended to be solely used for service to B.L. England. The Reliability Line is intended to provide additional reliability to SJG customers in Cape May and Atlantic Counties. The original location of the point of interconnection and the regulator station was moved from Marshall Avenue in Upper Township to Mount Pleasant-Tuckahoe Road Upper Township. This movement was from a more environmentally sensitive area in the Forest Planning Area under the Pinelands CMP to a location in the Pinelands Village Area. The new location of the interconnection and regulator station is depicted on Schedule RAB-1A. Exhibit P-4A 3:16-4:19.

The Pipeline route starts at a proposed pipeline station in an easement on private land in Maurice River Township. This station will tie in SJG's existing twenty (20) inch Cumberland lateral pipeline from where the Project will obtain its gas supply. The route runs southeasterly for about five (5) miles along Route 49 to the proposed valve station # 1. It then continues along Route 49 through Estell Manor and into Upper Township for about another five (5) miles to valve station ROV number two (2). The Pipeline route then continues along Route 49 into Tuckahoe where the route comes off Route 49 and onto Cedar Avenue, then proceeds along Mill Road, Reading Avenue, and Tuckahoe-Mount Pleasant Road. On Tuckahoe-Mount Pleasant Road SJG proposes to install a pressure regulator station to interconnect with existing gas facilities. From there, the Pipeline route continues through Upper Township along Tuckahoe-Mount Pleasant Road, then Marshall Avenue, continues on Marshall to the intersection of Route 50 and Tuckahoe Road. From there, the Pipeline continues south on Route 50 to the intersection of Tuckahoe Road and Route 50. From there it continues east on Tuckahoe Road, passing through another proposed valve site. The Pipeline route continues through Upper Township, along Tuckahoe Road then Oceanwoods Avenue. The route then enters onto private land in an easement and terminates at a meter station at B.L. England. Exhibit P-4A 4:20-5:20.

Specifically, the Tuckahoe Interconnect Station is located north of the intersection between Mount Pleasant Road and Marshall Avenue in Upper Township, Cape May County, New Jersey as more fully shown on Schedule RAB-2A. The station is located within an easement within the Upper Township Department of Public Work's Maintenance Yard on Tax Lot 12, Block 350 and is approximately fifty-nine one-hundredths (0.59) acres (25,600 square feet). The easement abuts Tuckahoe-Mount Pleasant Road to the west. The site presently consists of an athletic field, which will be relocated to another part of Upper Township. Exhibit P-4A. 6:4-18.

It was necessary for the Company to make further adjustments to the configuration of the interconnection and regulator station since the Board issued an Amended Order on July 25, 2015 because Upper Township informed the Company that the proposed easement and site improvements for the Tuckahoe Interconnect Station might encroach upon recreational areas designated as Green Acres by the NJDEP. After consultation with Upper Township, SJG reduced the area of the easement from 40,000 square feet to 25,600 square feet by shifting facilities closer to Mount Pleasant Tuckahoe Road and reducing the depth of the easement from two-hundred (200) feet to one-hundred sixty (160) feet. The width of the easement was also reduced to one-hundred (160) feet. This change maintained the tie-in location to the Company's existing pipelines but had no impact on the overall alignment of the Pipeline. The change reduced the amount of disturbance, requiring a minor modification to the site plan and the storm water management report. Exhibit P-4A 6:19-10.

The description of the Tuckahoe Interconnection Station is more fully set forth in Schedule RAB-2A. The interconnection station will occupy an easement of one-hundred sixty (160) feet by one-hundred sixty (160) feet with frontage along Tuckahoe-Mount Pleasant Road. The site is located on the same lot as Upper Township's Department of Public Work's maintenance yard. Upper Township recommended the site as an alternative to the Company's original proposed location, which was within the Pinelands Forest Area. The easement is on a portion of an athletic field that Upper Township plans to relocate to a recreational facility within the municipality. The Company concluded that this was an ideal location for the proposed interconnection station due to the combination of no wetlands, no impact on threatened and endangered species, no impact on cultural resources, separation from residents and proximity to the existing transmission facilities. Exhibit P-4A 7:11-22.

The Tuckahoe Interconnection is being constructed to (1) connect the new proposed twenty-four (24) inch - 435 psig gas main to the existing sixteen (16) inch - 250 psig and four (4) inch - 60 psig gas systems in order to provide reinforcement supply for the existing lines; (2) allow the existing 250 psig system to temporarily provide gas to B.L. England if there is a disruption to the proposed twenty-four (24) inch gas main upstream of the station; and (3) locate a heater within the system to prevent the buildup of condensation as the pressure is reduced from 250 psig to sixty (60) psig. Exhibit P-418:16-19:5.

The ROV station on Route 49 is depicted on Schedule RAB-3. It will be located at 472 NJ Route 49 in Upper Township, Cape May County, New Jersey as more clearly depicted on Schedule RAB-3. The site is approximately two and eight-tenths (2.8) acres (121,968 square feet) and is located on the south side of Route 49 abutting a residential property to the east, Route 49 to the north, and vacant woodlands to the south and east. Schedule RAB-3; Exhibit P-4 19:16-20:2.

The above-ground valve station will include below ground twenty-four (24) inch piping, twenty-four (24) inch above ground piping, and a control valve. The station is being constructed to satisfy Federal Regulations, 49 CFR 192. Schedule RAB-3; Exhibit P-4 19:16-20:10.

The ROV Station located at 1003 Tuckahoe Road in Upper Township, Cape May County, New Jersey is set forth in further detail on Schedule RAB-4. The parcel is approximately nine and nine-tenths (9.9) acres (431,244 square feet) and is located on the north side of Tuckahoe Road abutting vacant woodlands to the north, east and west. The above-ground valve station will include twenty-four (24) inch below ground piping, twenty-four (24) inch above ground piping and a control valve. The station is also being constructed to satisfy Federal Regulations 49 CFR 192. Exhibit P-4 20:17-21:10.

The B.L. England Metering Station will be located along a private gravel road approximately 2,000 feet west of North Shore Road near the intersection with Clay Avenue in Upper Township, Cape May New Jersey, as set forth more fully in Schedule RAB-5. The Project is located on site at B.L. England on a parcel that is approximately 291.5 acres. The station itself will occupy approximately 9,540 sf of the site. The metering station will be located at the end of the new Pipeline and will include four (4), six (6), eight (8) and twelve (12) inch below ground piping, two (2,) four (4), six (6), eight (8) and twelve (12) inch above ground piping, a pig receiver and control valves. Exhibit P-4 21:19-22:14.

The metering station is being constructed to record gas usage by B.L. England and for the inspection and cleaning of the proposed twenty-four (24) inch gas main through pigging operations. The metering station will occupy a one-hundred (100) foot by one-hundred (100) foot easement on the B.L. England property. Exhibit P-4 22:15-23:4.

In Maurice River Township, the Company is proposing to construct the Cumberland Pond Pigging Station that consists of an easement with frontage on both Route 49 and Union Road (County Route 671) as more fully depicted on Schedule RAB-6. The station will sit on approximately fifty-one tenths (0.51) acres (22,400 square feet) out of the total nine and twenty-nine tenths (9.29) acre site. The Project abuts wooded land to the north and west, and a vacant restaurant and apartment to the southeast. The site consists of vacant and partially wooded land. Exhibit P-4 23:5-13.

The station will be located at the beginning of the new Pipeline and will include eight (8), twelve (12), twenty (20) and twenty-four (24) inch below ground piping, four (4), eight (8), twelve (12), twenty (20) and twenty-four (24) inch above ground piping, a pig receiver, two (2) pig launchers, and control valves. The purpose of the station is for the periodic inspection and cleaning of the proposed twenty-four (24) gas main and the existing twenty (20) inch gas main through pigging operations. In-line inspection tools (pigs) will be inserted and removed from the gas piping as part of SJG's Integrity Management Program, which will inspect the gas piping to ensure it is in good condition and free from defects. Exhibit P-4 23:14-21.

This location was selected due to its close proximity to the pipeline necessary to feed the new twenty-four (24) inch pipeline. Exhibit P-4 24:11-16.

Mr. Bethke stated that the Pipeline will be subject to Federal Pipeline Safety Act standards, the standards of the Board, as well as industry best practices such as those issued by the American Gas Association. The Pipeline will be constructed of twenty-four (24) inch outside diameter welded steel pipe with a wall thickness of three and seventy-five one-hundredths (0.375) and will operate at not more than 700 psig. The pipe will be manufactured in accordance with the American Petroleum Institute Standard 5L with a minimum specified yield of 60,000 thousand pounds per square inch and a minimum tensile strength of 75,000 pounds per square inch. South Jersey Gas Company designs our transmission pipelines to Class Four (4) location standards, as defined in the federal regulations. New Jersey regulations now require the Pipeline to be designed to a Class Four (4) standard safety factor. Exhibit P-4 25:9-21.

In addition, Mr. Bethke stated that the Company takes all steps possible in order to ensure compliance with appropriate design standards. SJG has never had a major incident along any of its transmission pipelines. Exhibit P-4 26:1-6.

During construction, the Company will also implement traffic control plans approved by local and state officials to insure that the Project creates minimal disturbance to residences and businesses along the Pipeline route. The Company has a traffic control plan for construction that will be finalized until preconstruction meetings are conducted with the Pipeline contractor and municipal officials. Exhibit P-4 26:7-20.

Mr. Bethke concluded that the Project is necessary for the service, convenience and welfare of the public, including the need to increase the reliability of service to the Company's more than 142,000 customers in Cape May and Atlantic Counties and to supply increased gas volumes and a higher delivery pressure to B.L. England to support its conversion to a natural gas burning station. The route proposed was considered among several alternatives and took into consideration the land used and the surrounding neighborhoods and is reasonably necessary for the Project. Exhibit P-4 27:6-16.

### C. Economic Benefits

At the October 21, 2015 evidentiary hearing, SJG presented the pre-filed and live testimony of Russell Feingold to discuss the economic benefits associated with the Project. Mr. Feingold is the Vice President, Management and Consulting Division and the Rates and Regulatory Practice Lead within Black & Veatch. He specializes in the energy and utility industries, and has advised energy clients pertaining to a variety of issues, including costing and pricing and competitive market analysis. He received a Bachelor of Science degree in electrical engineering from Washington University and a Master of Science in financial management from Polytechnic University of New York. Exhibit P-6 2:7-21. Mr. Feingold had the overall responsibility for the conduct of the Black and Veatch Study. Exhibit P-6 3:2-7.

As mentioned previously, SJG engaged Black & Veatch to develop and recommend a methodology to allocate the costs of the Project between SJG and B.L. England. The cost allocation process forms the basis for the natural gas rates to be charged to B.L. England pursuant to one of SJG's currently approved gas service tariffs. Black & Veatch reviewed and assessed the purpose, functionality, design, and planned utilization of the Project for purposes of determining a reasonable and appropriate cost allocation methodology to be applied to the total capital costs of the Project to determine the rates to be charged to B.L. England for the delivery of natural gas. Schedule RAF-2 at 7. The estimated cost of the Project is approximately \$87 million. Black & Veatch Proposed Cost Allocation Methodology Results ("Table 1") establishes the portion of the cost that B.L. England and SJG's existing customers would bear. SJG proposes that B.L. England will bear forty (40) percent of the total cost or approximately \$38.8 million, while SJG's existing customers would bear the remaining sixty (60) percent of the cost, or approximately \$52.1 million. In the event SJG is unable to secure the required easements and/or license agreements from ACE, Black & Veatch estimates the capital costs of the Project will increase to approximately \$91 million, which is established in the Proposed Cost Allocation Methodology Results using the path without easements/license agreements from ACE (Table 2). Black & Veatch recommends that, under this scenario, forty-two and seventh tenths (42.7) percent of the cost, or approximately \$38.8 million, would be borne by B.L. England, while fifty-seven and three tenths (57.3) percent of the costs, or approximately \$52.1 million, would be borne by SJG's existing customers. Schedule RAF-2 at 8.

Black & Veatch recommends a "direct assignment" cost allocation approach, which involves a specific identification and isolation of plant and/or expense incurred exclusively to serve a specific customer or group of customers. Black & Veatch's Proposed Cost Allocation Methodology Results (Table 10) and Proposed Cost Allocation Results (using path without easements/license agreements from ACE) (Table 11) demonstrate the assignment of the capital costs of the Pipeline to B.L. England and SJG's existing customers based upon individual components of the Project. Black & Veatch recommended that the capital costs of the Project components pertaining to the tie-in at Union Road and Route 49, the interconnection at Tuckahoe and the Pipeline segment from Union Road and Route 49 to the Tuckahoe interconnection should be directly assigned to SJG's existing customers. Black & Veatch further recommended that the capital costs for the Project components associated with the meter station for B.L. England, and the Pipeline segment from the Tuckahoe interconnection to B.L. England, be assigned to the facility. Id. at 39-41.

## VII. DISCUSSION AND FINDINGS

The Board has previously authorized the construction of the Pipeline pursuant to N.J.A.C. 14:7-14 in the June 21, 2013 Order, finding that the Pipeline as proposed meets the requirements of N.J.A.C. 14:7 and Federal safety requirements.<sup>14</sup> However, the standard to be applied in the present matter is set forth in N.J.S.A. 40:55D-19, which states that a public utility proposing a multiple-municipality project may petition the Board and that if, after hearing on notice to the affected municipalities, the Board finds that “the proposed installation of the development in question is reasonably necessary for the service, convenience or welfare of the public” then any ordinances or regulations promulgated under N.J.S.A. 40:55D, the MLUL, shall not apply to the Project.

The courts of this State have interpreted the standards set out above. Preliminarily, it should be noted that in making its decision, the Board has an obligation to weigh all the interests and that, in the event the interests are equal, the utility should be entitled to preference because the legislative intent is clear that the broad public interest to be served is greater than local considerations. See In re Public Service Electric & Gas Company, 35 N.J. 358, 377 (1961); In re Monmouth Consolidated Water Co., 47 N.J. 251 (1966); In Re Application of Hackensack Water Co., 41 N.J. Super. 408 (App. Div. 1956). The Board further notes the applicable legal principles established In re Public Service Electric & Gas Co., 35 N.J. at 377:

- (1) The phrase “for the service, convenience and welfare of the public” refers to the whole public served by the utility and not the limited group that benefits from the local zoning ordinance;
- (2) The proposed use must be reasonably, not absolutely or indispensably, necessary for the service, convenience and welfare of the public;
- (3) The particular site or location must be found to be “reasonably necessary” and so the Board must consider the community zoning plan, the physical characteristics of the site, and the surrounding neighborhood;
- (4) Alternative sites and their comparative advantages and disadvantages, including cost, must be considered in determining reasonable necessity; and
- (5) The Board must weigh all interests and factors in light of all of the facts, giving the utility preference if the balance is equal, because the legislative intent is clear that the broad public interest is greater than local considerations.

See also, In re Public Service Elec. and Gas Co., 2013 WL 490171 (App. Div. 2013) (affirming the Board’s determination that the upgrade of the New Jersey portion of a 500 kV transmission system from Berwick, Pennsylvania to Roseland New Jersey (Susquehanna-Roseland Project) proposed by PSE&G was “reasonably necessary for the service, convenience and welfare of the public”).

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<sup>14</sup> See In the Matter of the Petition of South Jersey Gas Company for Authorization to Construct a 24-inch Pipeline, BPU Docket No. GO13030202, Order dated June 21, 2013.



At the outset, the Board feels it necessary to address the October 28, 2015 and November 3, 2015 Declarations that were filed in conjunction with PPA's post hearing brief. The Declarations seek to submit various documents to the Board for its consideration including some that were filed with the Pinelands Commission, as well as minutes of Pineland Commission meetings and other communications related to the Company's applications to that agency, and New Jersey Turnpike Authority plans. The Declarations also seek to introduce environmental studies and economic analyses, Exhibits 15, 17 and 19 to the amended Declaration, which were not previously presented to the Board or the parties to this proceeding. While under N.J.A.C. 1:1-15.2 the Board may take official notice of its own documents and the existence of documents issued by a sister agency, the studies which PPA now proffers were never subject to a review process by the Board or the other parties to this matter.<sup>15</sup> Essentially, PPA is attempting to import new evidence into the record, when the authoring witnesses have not been qualified to testify nor been subject to cross-examination.

Moreover, PPA made an application for—and was granted—participant status. Participation is “the process by which a non-party may, by motion, be permitted to take limited part in a proceeding.” N.J.A.C. 1:1-2.1. As a participant, PPA was granted the rights to argue orally and submit a brief. N.J.A.C. 1:1-16.6(c). PPA exercised both of those rights but accompanied its brief submissions with declarations intending to place additional documents and studies into the record. The brief is a written presentation of legal argument. Facts intended to be relied on which do not already appear of record and which are not judicially noticeable are required to be submitted by way of affidavit or testimony. See Celino v. Gen. Accident Ins., 211 N.J. Super 538, 544 (App. Div. 1986). Only parties, including those who have been granted intervener status under N.J.A.C. 1:1-16.1, have the right to present testimony at an evidentiary hearing on the issues to be determined through the hearing. As a participant, PPA does not have the right to introduce testimony into the record, and certainly not by way of its brief.

N.J.S.A. 52:14B-10(d) directs that a decision in a contested case must be based only on the evidence in the record. Any of the documents which the PPA seeks to interject into this proceeding that are not subject to official notice by the Board, as well as the same kind of documents submitted by SJG with its response, shall not be considered as evidence in this proceeding. The Board will consider them as public comments but afford them no evidentiary value.

#### **A. Need for the Project**

According to the Petition, the SJG transmission system consists of 122.7 miles of intrastate pipeline, consisting of cathodically protected coated steel main which transports gas from the company's receipt points with its interstate pipeline suppliers along the western side of the State, and extends through the SJG service territory to supply the Company's distribution system throughout the seven county franchise area. The Project consists of what SJG refers to as the Reliability Line and a Dedicated Line to provide natural gas transportation service to B.L. England. Petition at 3 and 5.

The Board first addresses the need for the line that SJG refers to as the Reliability Line. The Company presently serves more than 60,000 customers in Cape May County through twenty (20) miles of single-feed sixteen (16) inch and twenty (20) inch diameter pipeline. Should a

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<sup>15</sup> N.J.A.C. 1:115.2 allows an agency to take official notice of facts that cannot reasonably be the subject of dispute after notice to the parties and an opportunity to respond.

system upset condition anywhere along this twenty (20) mile section of transmission pipeline supply feed, it could jeopardize service to potentially all of these downstream customers. According to the Petition, there is no other location in its system with “a single upset vulnerability condition anywhere near this level of magnitude.” System upset conditions can arise from damage due to third-party excavators or other external forces. Id. at 6 and 7.

Reliability modeling concludes that, if the system upset condition occurs on the north-south segment of the transmission pipeline supplying Cape May County, it could potentially affect all of the 60,882 South Jersey customers supplied there. If the system upset condition were to occur on the east-west segment of the transmission pipeline supplying Cape May County, such as between Union Road and Route 50, it could potentially affect approximately 141,899 customers in both Cape May and Atlantic Counties. In this second scenario, during cold weather with an average daily temperature of thirty (30) degrees, 61,058 customers would initially lose gas service, and after the McKee City Liquefied Natural Gas ran out of its supply, a total of 119,820 customers would lose gas service. On days with a lower average daily temperature, approximately 141,899 customers would lose gas service. Schedule RAF-2 at 10 and 16.

According to the Petition, the solution to increase reliability is to provide a secondary transmission pipeline supply to the affected area in Cape May and Atlantic Counties (i.e., the Reliability Line). The Pipeline would be constructed using a method referred to as “looping,” which would prevent complete system failure of the gas transmission system due to a single incident. Petition at 7. Reliability modeling predicts that no customers would be interrupted during either system upset scenario on a thirty (30) degree day with the Reliability Line in service. Only at an average daily temperature of twenty (20) degrees would impacts to customers begin to arise. Schedule RAF-2 at 17. As such, the construction of the Pipeline will enhance the reliability of the eastern and southern portions of SJG’s service territory by enabling an alternative route for natural gas to be supplied to Atlantic and Cape May Counties.

The Board next addresses the need for the line that SJG refers to as the Dedicated Line. As described in the June 21, 2013 Order previously issued by the Board, this line runs the entire length of the reliability segment of the Pipeline and is also designed to provide service to B.L. England. Order at 2. B.L. England currently operates as a merchant power plant selling electricity and capacity in the PJM power market. B.L. England will be SJG’s largest customer; SJG does not have the present transmission capacity to provide service to the plant. Petition at 5.

In addition and as mentioned previously, the construction of the Dedicated Line is necessary to provide adequate supply of natural gas fuel to the future gas-fired combined cycle combustion turbine units to be constructed at B.L. England by R.C. Cape May. R.C. Cape May entered into the ACO with NJDEP in 2012, which requires it to repower the facility or meet specific performance standards by certain dates. The repowering of B.L. England will enable the facility to convert from a coal and oil-burning electrical generation power plant to a facility that uses clean burning natural gas. Id. at 10. R.C. Cape May intends on repowering the plant by retiring two (2) coal-fired steam boiler units (units one (1) and two (2)) and replaces them with a new combined cycle unit utilizing the steam turbine from unit two (2) with a new state of the art natural gas-fired combustion turbine and Heat Recovery Steam Generator (“HRSG”). Unit three (3) will be retired. Furthermore, R.C. Cape May intends on incorporating Ultra Low Sulfur Diesel as a backup fuel for the combined cycle unit to meet recently approved PJM capacity performance standards. This will result in repowered facility capable of generating up to 447 MW. Exhibit P-5A at 4 and 5.

Not only will this repowering of B.L. England satisfy the terms and conditions set forth in the ACO between NJDEP and R.C. Cape May, it will also effectuate the goals of the EMP. The EMP sets forth the strategic vision for the use, management and development of energy in New Jersey with the overarching goal of saving money while stimulating the economy and protecting the environment. EMP at 1. One of the five (5) major goals of the EMP is to expand in-state electricity resources by promoting the “expansion of the existing [natural gas] pipeline network that serves gas utilities and power plants throughout New Jersey,” and notes that “South Jersey, in particular, lacks adequate natural gas infrastructure to support new, gas-fired generation as well as substitution for other fuels in the residential and commercial sectors.” Id. at 6. The EMP also “aspires to fulfill seventy (70) percent of the State’s electric needs from ‘clean’ energy sources by 2050.” Id. at 3. The EMP indicates that this goal is achievable if the definition of “clean” energy is broadened beyond renewable sources to include, along with nuclear and hydroelectric facilities, natural gas facilities, which are less carbon-intensive than coal. Id. at 3, 76. According to the EMP, coal will no longer be accepted as a new source of power, and the State will work to shut down “older, dirtier peaker and intermittent plants with high greenhouse gas emissions.” Id. at 3-4.

The actions, decisions, determinations and rulings of state government entities with respect to energy “shall to the maximum extent practicable and reasonable and feasible conform” with the provisions of the EMP. N.J.S.A. 52:27F-15(b). In implementing its regulatory powers and its responsibilities, the Board considers the directives of the EMP. Accordingly, the Board **FINDS** that the Project will serve the goals of the EMP in that the use of the proposed combined cycle system for the facility should result in a significant improvement in air quality and other positive environmental impacts, while also increasing overall system reliability and reinforcement in SJG’s service area. Specifically, the record reflects that the repowering of B.L. England will increase power generation by thirty (30) percent and reduce the production of greenhouse gases, nitrogen oxides and sulfur dioxide. The repowering of B.L. England will also reduce surface water withdrawals from the Great Egg Harbor Bay and it will eliminate the delivery and storage of coal and other hazardous materials. EMP at 11; Exhibit P-4 at 10:4-12.

In addition, based on the evidence in the record, the Board **FINDS** there is a need for capacity in the area of B.L. England. The facility is a significant source of base load power generation in Southern New Jersey. B.L. England continued to operate and feed the local power grid supply during Superstorm Sandy in 2012. Exhibit P-4 at 10. The EMP also recognizes that the retirement of Oyster Creek in 2019 will create a greater need for power generation in this area. EMP at 76. Replacing Oyster Creek is a particular challenge because “Oyster Creek’s geographic location has prevented significant transmission bottlenecks and overloads in the State, and [unless] replaced by new comparable base load generation, at least \$100 million in transmission upgrades will be required when Oyster Creek is retired, excluding new rights of way.” Id. at 79. The repowering of B.L. England, as a combined-cycle natural gas plant, will provide additional base load generation, which will be reduced upon the retirement of Oyster Creek. Under the 2016 PJM RTEP summer peak flow load model, after Oyster Creek retires the repowered plant will be the only significant base load power generation in the coastal area of Southern New Jersey and contribute to reducing congestion and transmission constraints and overloads in that area. Schedule RA-4 at 6.

At the June 2014 TEAC, PJM identified the need for nine (9) upgrades that will be required if B.L. England is retired.<sup>16</sup> The projected cost for these upgrades total in excess of \$145 million. Id. at 23-31. Furthermore, at the September 2014 TEAC meeting, PJM identified seven (7) additional overloads attributed to the retirement of B.L. England.<sup>17</sup> Schedule RA-4 at 6-7. PJM has not taken action on these at this time, but notes that “the need to upgrade these facilities will be re-evaluated if the generation does not deactivate.” Id. at 7. The majority of the upgrades identified at both PJM TEAC meetings are located either within or in close proximity to the Pinelands Area. Id. at 6-7.

PPA alleges that the need for the Project is undermined by the fact that the Black and Veatch Study demonstrates that the Pipeline is intended to increase reliability to SJG’s existing customers in Atlantic and Cape May Counties and not solely to serve the Pinelands. PPA also argues that SJG has provided testimony that it would pursue the Project independently of the repowering of B.L. England. In addition, PPA states that the repowering of B.L. England does not serve the public needs of the Pinelands. However, PPA’s arguments are misguided. The term “public” under the MLUL, as noted above, has been interpreted to mean “the public served by the utility,” not the “limited local group benefited by the zoning ordinance.” In re Public Service Elec. and Gas Co., 2013 WL 490171 (App. Div. 2013) (citing In re Public Service Electric & Gas Co., 35 N.J. at 376-77). If the interests of the affected municipalities within the Pinelands and the Company are equal, SJG is entitled to preference because the legislative intent of the statute is clear that the broad public interest to be served—SJG’s existing customers in Atlantic and Cape May Counties—is greater than local considerations. Id. at 9-10 (citing In re Public Service Electric & Gas Co., 35 N.J. at 377). The final determination of whether the Project “is reasonably necessary for the service, convenience and welfare of the public” rests with the Board, and not the municipalities. N.J.S.A. 40:55D-19. None of the affected municipalities have intervened in this matter, nor have they submitted any oral or written comments in opposition to the Petition. Indeed, the affected municipalities have indicated support for the Project. See p. 14, supra.

As expressed in its public comments and post hearing brief, PPA’s concerns with the Project arise from what it views as the negative environmental impact of the installation and operation of the Project. The Board is sensitive to the alleged environmental, health and safety concerns raised by the local residents, with respect to the construction and operation of a natural gas transmission pipeline. Analyzing alternatives involves reviewing the projected impact of the Project on the “natural environment” which includes measures taken for the protection of plants, animals, aquatic resources, ecological resources and natural habitat. After careful review of the record, the Board is persuaded that SJG has considered the environmental impacts of the Project and has committed to constructing the Pipeline guided by the goal of minimizing those impacts where they cannot be avoided. Mr. Bethke’s testimony and the Petition reflect that the preferred Route A was selected based upon environmental permitting considerations, and included input from NJDEP. Petition at 17; Exhibit P-4 14:3-15:2; 16:11-17:3. The Black and Veatch Study further concluded that the original route selected by the Company, Route A3, “was the most prudent balance of technical viability, cost effectiveness, preservation of sensitive ecosystems, and community welfare.” Schedule RAF-2 at 5. Additionally, the W&C Report found that all of the routes, but for the Route D and the preferred Route A include “significant

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<sup>16</sup> The June 2014 TEAC presentation can be found at <http://www.pjm.com/~media/committees-groups/committees/teac/20140605/20140605-reliability-analysis-update.ashx>

<sup>17</sup> The September 2014 TEAC presentation can be found at <http://www.pjm.com/~media/committees-groups/committees/teac/20140902/20140902-reliability-analysis-update.ashx>

adverse environmental impacts.” Schedule RAB-7 at 22. The Board also received, and takes notice of, a letter from NJDEP dated March 14, 2015, finding that the SJG route designated as Route A demonstrates that environmental impacts are minimized to the greatest extent possible, while all other routes, including the PPA’s alignments, are infeasible for technical and logistical reasons.

PPA further claims that the Pipeline will pose a threat to the Kirkwood-Coahanse Aquifer along much, if not most, of its length, and will be susceptible to leakage or failure due to fatigue, particularly where it lies beneath a road bed. PPA relies on the Coppola Report in support of this proposition. PPA also states that natural gas leaks into the aquifer and streams may cause significant damage to these natural resources, including an acute risk to aquatic species. However, it is undisputed that the requisite LURP and other environmental permits were approved by NJDEP and the Army Corps of Engineers. Petition at 14. NJDEP and the Army Corps of Engineers are the governmental agencies with the expertise concerning environmental permitting issues, and they have determined that the Project complies with the relevant standards.

The Company has demonstrated the need to address its single point of failure contingency for its gas transmission system, and has also demonstrated that the line is necessary to repower B.L. England to alleviate electric transmission constraints that would arise if the plant were to be retired. Therefore, the Board **HEREBY FINDS** that SJG has met its burden of proof, and has shown that the Project “is reasonably necessary for the service, convenience or welfare of the public” pursuant to N.J.S.A. 40:55D-19.

## **B. Routing**

Mr. Bethke testified that SJG initially considered three potential routes for the Pipeline’s construction. Of the three, Mr. Bethke testified that a variation of Route A, which is an alignment that follows the public ROW of Route 49 into Tuckahoe, was selected as the preferred route alignment based upon constructability, environmental permitting considerations, adjacent population density to the Pipeline and the ability to secure ROW. Exhibit P-4 16:11-17:3. Route A3 essentially follows the same route as Route A, but contains segments that avoid Route 50 and Route 9 in Tuckahoe. Route B would be significantly shorter at a total length of 10.5 miles, and would consist of an alignment that runs from County Road 559 and Egg Harbor Road in Hamilton Township to B.L. England. Route C would be slightly longer at 29 miles in length and has the same starting and ending points as Route A, but is located farther south so that it runs parallel to an abandoned railroad ROW across private properties. Exhibit P-4 14:3-15:2.

In the W&C Study, three (3) alternative routes were carried forward for evaluation. The W&C Study evaluated potential impacts on each of the routes using environmental, community, cultural, constructability and maintenance criteria by applying a utility-standard value rating system adapted from the Electric Power Research Institute (“EPRI”). The evaluation incorporated “desk-top,” publicly available information related to possible environmental impacts, community and neighborhood impacts, constructability issues, and operation and maintenance issues. Limited field visits were also conducted by SJG and W&C staff. Exhibit P-2 at 1.

After thorough review, W&C determined the preferred route to be Route A3, the route along the existing ROW beneath Route 49 (East Main Street) starting at the intersection of Route 49 and County Road 671 (Union Road) in Maurice River Township, as proposed in the Petition. For descriptive purposes, Route A3 commences in Millville at East Main Street and Union County

Road, at the location of an existing gas line, and continues on Route 49 until it intersects Cedar Avenue. The route continues south on Cedar Avenue to the intersection of County Route 557, then east on County Route 557 to Route 50. The route continues south on Route 50 for a short distance to the intersection of Mount Pleasant-Tuckahoe Road and proceeds south to the intersection of New York Avenue. From New York Avenue it travels east to Route 50, where it continues east to Tuckahoe Road. The alignment continues east on Tuckahoe Road to the intersection with Church Road and the intersection of Hudson Avenue. The route then proceeds north on Hudson Avenue to the intersection with the ACE ROW, then goes east on the ACE ROW to the intersection with B.L. England's property and continues east to the facility. Exhibit P-2 at 6.

This selection of the route was based upon the following factors:

- Route A3 would be constructed almost entirely beneath existing ROWs in State and County roads, power lines and/or rail lines, which would minimize impacts to the natural and human environment. This route would result in less impact to adjacent homeowners and the community as a whole, as there would be fewer disturbances to adjacent property and facilities.
- Specifically, Route A3 requires the acquisition of approximately two and two tenths (2.2) miles of easements on private property to avoid installing the Pipeline immediately adjacent to an elementary school, and follows an existing disturbed Atlantic City Electric ("ACE") electric transmission line corridor into B.L. England's property, as opposed to following the existing New Jersey Department of Transportation Route 9 ROW through Beesley's Point in Upper Township as required by Route A, which will result in less impact upon adjacent homeowners and businesses in the downtown historic area.
- Only one or two jack and bores would be required under an existing railroad ROW for the installation of Route A3, which represents a substantial advantage over Route B, which would require horizontal directional drilling ("HDD") and numerous jack and bores.
- Route A3 provides a secondary benefit to existing SJG customers in Cape May County by providing an opportunity for a transmission system interconnect south of the Village of Tuckahoe. This is another substantial deviation over Route B, since Route B would not provide any reliability benefits to the existing system.
- No significant vegetation clearing would be required, which represents a substantial advantage over Route C, where clearing and grubbing of many miles of reforested railroad ROW that is mapped as threatened or endangered species habitat would be needed.

Exhibit P-2 at 10; Petition at 16.

W&C prepared an addendum to its original analysis on January 10, 2013 to provide more detailed assessments of the impacts associated with each alternative route, entitled Alternative Analysis Addendum to the June 18, 2012 South Jersey Gas – B.L. England Gas Route Analysis Report, Woodard and Curran, (January 10, 2012) ("W&C Addendum"). W&C's recommendation that route A3 is the preferred route alignment remained unchanged. The W&C Addendum also stated that Routes B and C would have a greater environmental impact with regard to wetlands, protected species and contaminated sites. W&C found that Route C would significantly impact

wetlands, buffers, protected species, and would not comply with the Pinelands or Costal Area Facility Review Act “(CAFRA)” requirements that the Pipeline be located within an existing transportation corridor since the railroad ROW has re-vegetated and using that ROW could result in disturbance to multiple contaminated sites. *Id.* at 8. W&C further found that the impacts and effects to natural resources would be much higher from construction of Routes B and C than from Route A3. As a result of these findings, W&C concluded that Route A3 is “the least impactful alternative for implementation of the project.” *Id.*

In April 2015, W&C prepared a subsequent addendum to its original analysis to provide updated information and detailed assessments of anticipated impacts associated with a “No Build” alternative plus four additional routes that were evaluated by the Pinelands Commission Staff, including a route proposed by PPA. Schedule RAB-7, Alternatives Analysis Addendum to the June 18, 2012 South Jersey Gas – B.L. England Gas Route Analysis Report, Prepared by Woodard and Curran, (April 2015) (“W&C Addendum II”). W&C found that the “No Build” alternative did not meet the compelling public needs of the Project, which are to support the repowering of the B.L. England electric generating station and to enhance the reliability of gas service for customers in Cape May and Atlantic Counties. *Id.* at 4. W&C found that only Routes A (the preferred route, formerly Route A3), C, and D meet the goals of the Project. Furthermore, Route C has significant environmental impacts, and none of the proposed alternatives, including the “No Build” alternative, avoid all construction activity in the Pinelands Forest Management Area. Under the “No Build” scenario, electric transmission construction will necessitate activity in the area. Schedule RA-4 at 6 and 7. Both Routes “A” and “D” involve activity in the Pinelands Forest Planning Areas; however, Route A is fifteen (15) miles shorter and has fewer adverse community and traffic impacts. The conclusion in the W&C Addendum II is that the choice of Route A as the preferred route does not change. Schedule RAB-7 at 22.

SJG explored, through W&C, six (6) potential routes for the Project. No parties intervened in this matter, and therefore no rebuttal testimony was submitted with regard to the routing of this Project. It is uncontroverted that W&C utilized existing state and federal databases from the NJDEP, the Pinelands Commission, the New Jersey Division of Fish and Wildlife, and the United States Fish and Wildlife Service. W&C also utilized geographic information systems data, design requirements limitations, field inspections, engineering/construction considerations, and field data gathered by the project design and permitting team. Then, each route was analyzed to identify potential impacts to wetlands, buffers, streams, open waters, threatened and endangered species, cultural resources, contaminated sites and protected lands. In addition, as previously stated, the NJDEP issued a letter dated May 14, 2015, indicating its review of eight (8) alternative alignments, based upon numerous submissions as well as documents which had been reviewed and relied upon by NJDEP in issuing a CAFRA Permit, a Waterfront Development IP, a Freshwater Wetlands General Permit #2 and a Water Quality Certificate for the Project. Based upon a thorough analysis, NJDEP found that the route designated as Route A, offered by SJG, was the “preferred alternative.”

Thus, the Board **HEREBY FINDS** that the analysis produced provides competent and relevant evidence of review of six (6) or more alternate routes. Of those six (6), the evidence is clear that the route, identified as Route A in its April 2015 analysis (formerly A3) is the most appropriate, primarily because SJG has demonstrated that its construction along the current public ROW and the ACE and B.L. England ROW minimizes potential impacts to the environment and the community. The Board **HEREBY FINDS** that there is no reasonable practicable alternative which would have less adverse impact upon the environment or upon the land use and zoning ordinances of the respective counties and municipalities. The evidence presented indicated that a portion of Route A consists of unpaved ROW and 1,000 feet of

forested area, but construction techniques will be utilized to avoid environmentally sensitive areas, as opposed to Route B which would require two major HDD, one of which would involve a long, difficult and complex water crossing. Route A is also significantly shorter and impacts a lesser area of the Pinelands than Route C, which consists of twenty-nine (29) miles and would require approximately five and nine-tenths (5.9) miles of the re-vegetated railroad ROW in the Pinelands to be cleared.

PPA asserts that the Pipeline poses serious threats to the natural resources of the Pinelands and, as such, is not reasonably necessary for the service convenience or welfare of the public. In addition to the environmental costs associated with initial construction, installation and maintenance of the Pipeline, PPA maintains that the Pipeline will encourage further development and pose a danger to aquifers, streams, aquatic life and endangered plant species within the Pinelands. PPA emphasizes that the Project is routed through many environmentally sensitive areas, including the Kirkwood-Coahanse Aquifer. In support, PPA relies on several environmental impact studies in support of its position, including a watershed analysis and threatened and endangered species habitat assessment.<sup>18</sup>

Furthermore, PPA claims that SJG has failed to provide a reliable survey of rare plants along the proposed route, and the mowing practices along the route make it impossible to do so. Lastly, PPA argues that there are alternative routes in existence that would ease the burden on the natural resources of the Pinelands, and has submitted a chart of parcels within one-hundred (100) feet of alternative pipeline routes. SJG represents that it has taken prudent steps to minimize the environmental impacts of the Project, and states that the proposed route was chosen to minimize environmental impacts as the majority of the proposed route will be located within the existing ROW. Furthermore, the Company contends that participation of numerous Federal and State agencies involved with the Project, underscores the fact that the environment will be fully and substantially protected during the construction of the Project.

After careful review of the submissions, the Board remains persuaded that SJG has taken steps throughout this process to minimize environmental impacts. Constructing the Project within the existing ROWs clearly should minimize environmental impacts because the Company will not have to interrupt virgin or unpaved areas along an ROW for the majority of the proposed route. As to the section of the route that will require the Company to clear a new ROW on B.L. England's property, the Company has indicated that it will implement construction techniques to avoid environmentally sensitive areas. SJG has indicated it intends to submit an application for certification of its Soil Erosion and Sediment Control Plan to the Cape-Atlantic Soil Conservation District, and the Cumberland-Salem Soil Conservation District and the Board **HEREBY DETERMINES** that this application is warranted and necessary for this Project.

Additionally, the Board **HEREBY ORDERS** the Company to continue, on an on-going basis, to minimize environmental and community impacts associated with the Project. The Company should accept public input where possible and implement those suggestions in its construction of the Project where practical. The Board understands that other State and federal agencies have the necessary expertise and the primary obligation of completing a full review of any environmental impacts of the Project and their potential mitigation.

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<sup>18</sup> As previously stated, the Board accords no evidentiary value to the studies PPA attempted to submit through its brief, and is simply noting the submission of these studies.



SJG clearly considered alternative routes, as evidenced by the W&C's analyses and the testimony of SJG's witnesses attached as exhibits to the Petition and described above. The burden of demonstrating a feasible alternative method lies with the parties to the proceeding, including interveners, yet there were no applications to intervene by any potential parties. See In re Application of Hackensack Water Co., 41 N.J. Super. 408, 426-427 (App. Div. 1956). Thus, the Board **HEREBY FINDS** that SJG has met its burden of proving that its proposed routing is reasonable, and that no alternative route would be less intrusive to the environment or community. In re Public Service Electric & Gas Co., *supra*, 35 N.J. at 377 (requiring consideration of "alternative sites" in determining "reasonable necessity").

The Board **HEREBY ORDERS** SJG to seek further approval of this Board should it be determined that any modifications to the Project route as proposed and approved by this Order are needed or desirable.

### C. Cost Allocation

In determining whether the Project is "reasonably necessary for the service, convenience or welfare of the public," the Board must consider the cost that New Jersey electricity customers will bear in connection with the Project. Construing this standard under the predecessor to N.J.S.A. 40:55D-19, the New Jersey Supreme Court stated:

Alternative sites or methods and their comparative advantages and disadvantages to all interests involved, including cost, must be considered in determining such reasonable necessity.

In re Public Service Electric & Gas Co., 35 N.J. at 377(emphasis added).

By Order dated April 29, 2013, the Board approved a Stipulation for a gas service agreement between R.C. Cape May and SJG and, by extension, acknowledged that the cost allocation methodology recommended in Schedule RAF-2 was reasonable.<sup>19</sup> The Board concluded that the annual revenues from the sale of natural gas transportation service to B.L. England will be accrued to the benefit of SJG ratepayers, and that the rates are based on the cost and value of service considerations as required by the provisions of the Company's tariff. April 29, 2013 Order at 4.

The methodology recommended in Schedule RAF-2 concluded that B.L. England will bear forty (40) percent of the total cost of the Project or approximately \$38.8 million, while SJG's existing customers would bear the remaining sixty (60) percent of the cost, or approximately \$52.1 million. In the event SJG is unable to secure the required easements and/or license agreements from ACE, the capital costs of the Project will increase to approximately \$91 million, which is established in the Proposed Cost Allocation Methodology Results (Using the Path Without Easements/License Agreements from ACE) (Table 2). Under this scenario, 42.7% of the cost, or approximately \$38.8 million, would be borne by B.L. England, while 57.3% of the costs, or approximately \$52.1 million, would be borne by SJG's existing customers. Schedule RAF-2 at 8.

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<sup>19</sup> See In the Matter of the Joint Petition of South Jersey Gas Company and RC Cape May Holdings, LLC for Approval of a Standard Gas Service Agreement (FES) and a Standard Gas Service Agreement (FES) Addendum, BPU Docket No. GO13010052 (April 29, 2013).

Since the original Petition was filed, SJG has conducted more investigation into the cost of constructing the line and has determined that the total costs may exceed the original \$91 million estimate. Exhibit P-4A 9:15-20. Though it is not known at this time how much the costs will exceed the original estimate, it is noted that the alternative to building the natural gas transmission line and repowering B.L. England is to construct new and rebuild existing electric transmission lines. As discussed previously, the proposed transmission projects, if built to offset the loss of generation, will total in excess of \$145 million, and more upgrades may be necessary, adding to these costs. Furthermore, the avoided costs of a service interruption to approximately 142,000 SJG customers add a benefit of the Project that will not materialize if the transmission projects supersede the building of the Pipeline.

The Board is cognizant that whether the Project is "reasonably necessary for the service, convenience or welfare of the public" must include consideration of the cost of the Project to New Jersey natural gas customers. At the same time, the Board is faced with a decision that is time-sensitive, considering the construction schedule and deadline for B.L. England to cease coal operations. Thus, the Board **HEREBY FINDS** that there is sufficient evidence in the record that the estimated cost of the line is reasonable as compared to necessary transmission upgrades that would be needed if B.L. England is retired, and that the line "is reasonably necessary for the service, convenience or welfare of the public." N.J.S.A. 40:55D-19.

Therefore, based on its review of the record in this proceeding, the Board **HEREBY DETERMINES**, in accordance with N.J.S.A. 40:55D-19, that the Project "is reasonably necessary for the service, convenience, or welfare of the public" to enable SJG to continue to provide safe, adequate, and reliable service to its customers; that SJG should be able to construct and begin operation of the Project as proposed; and that the local land use and zoning ordinances, and any other ordinance, rule or regulation promulgated under the auspices of the MLUL of the State of New Jersey shall not apply to the construction, installation and operation of the Project.

Accordingly, the Board **HEREBY ORDERS** that neither N.J.S.A. 40:55D-1 et seq., nor any other government ordinances or regulations, permits or license requirements made under the authority of N.J.S.A. 40:55D-1 et seq. shall apply to the siting, installation, construction, or operation of the Project. This Order is 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 and approvals, if any, and the pressure testing requirements of N.J.A.C. 14:7-1.14 prior to placing the Pipeline in operation, as well as the following:

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 South Jersey Gas Company;
2. This 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, financing, accounting, capitalization, depreciation, or in any other matters affecting South Jersey Gas Company;
3. In an appropriate subsequent proceeding, the Company shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers. Approval of this petition does not include authorization to include in rate base the specific assets that are or will be completed as a result of the construction of the Pipeline; and

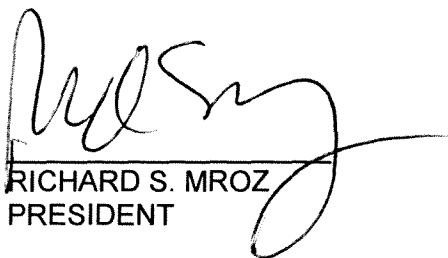
4. Approval of this petition does not constitute Board approval of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the Pipeline, including, but not limited to, cost of construction, contributions in aid of construction, depreciation on contributed plant, the cost of connection, or any related capital improvements, and the allocation of such cost and expenses, shall be made in an appropriate subsequent proceeding.

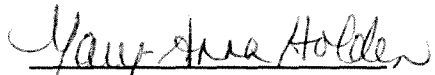
The Board **HEREBY RATIFIES** the decisions of Commissioner Fiordaliso rendered during the proceedings for the reasons stated in his Orders.

This Order shall be effective on December 26, 2015.


DATED: 12/16/15

BOARD OF PUBLIC UTILITIES  
BY:

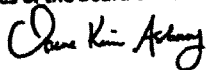
  
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PRESIDENT

  
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 A  
DETERMINATION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40:55D-19.  
DOCKET NO. GO13111049

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