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State of New Jersey

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Sean W. Earlen Chairman Nancy Wittenberg Executive Director

March 10, 2016

Paul Flanagan, Executive Director New Jersey Board of Public Utilities 44 S. Clinton Avenue Trenton, New Jersey 08625

Re: New Jersey Natural Gas Company

Proposed Natural Gas Transmission Pipeline Pinelands Application # 2014-0045.001

Dear Mr. Flanagan:

The Pinelands Protection Act at N.J.S.A. 13:18A-10(c) and the Pinelands Comprehensive Management Plan ("CMP") at N.J.A.C. 7:50-4.81(a) prohibit a State agency from issuing any approval for development within the Pinelands Area, unless such development is consistent with the minimum standards of the CMP. Because any order by the Board of Public Utilities ("BPU") granting the pending New Jersey Natural Gas Company's N.J.S.A. 40:55D-19 petition would authorize development in the Pinelands Area, such approval must be consistent with the minimum standards of the CMP. Thus, and in accordance with N.J.A.C. 7:50-4.81 et seq., the Pinelands Commission staff has undertaken a review of all the pleadings, discovery, transcripts and copies of all public comments (the "record") submitted to the BPU as part of the public and evidentiary hearings conducted by the BPU for the New Jersey Natural Gas Company's petition for a determination pursuant to the provisions of N.J.S.A. 40:55D-19 (BPU Docket Number GE15040402). Based on the Commission staff's expertise and experience administering the CMP and our review of the record, the prior finding of consistency with the CMP in the Certificate of Filing issued on December 9, 2015 remains unchanged. We submit this letter for BPU's consideration in its review of the pending application.

The Commission staff's review required that it evaluate of all the information submitted to the BPU to identify any information that raised issues regarding the proposed project's consistency with the Pinelands CMP. This review involved identifying new issues not previously addressed as part of the Certificate of Filing dated December 9, 2015 or new information pertaining to issues discussed in the Certificate of Filing. The Commission staff did not review information submitted to BPU that did not involve the standards of the Pinelands CMP.

Background

In April 2014, the New Jersey Natural Gas Company submitted preliminary information to the Pinelands Commission regarding the proposed construction of a 12.1 mile natural gas pipeline in Jackson,

Manchester and Plumsted Townships. In April 2015, the New Jersey Natural Gas Company submitted a Pinelands Development Application (Application # 2014-0045.001) for the proposed pipeline project.

The proposed pipeline project will be located in three different Pinelands land management areas: a Pinelands Regional Growth Area, a Pinelands Rural Development Area and a Pinelands Military and Federal Installation Area. The Pinelands CMP defines the term "public service infrastructure" as including natural gas pipelines. Public service infrastructure is a permitted land use in a Pinelands Regional Growth Area (N.J.A.C. 7:50-5.28 (a)) and a Pinelands Rural Development Area (N.J.A.C. 7:50-5.26 (b) 10). Public service infrastructure is also a permitted land use in a Military and Federal Installation Area provided it will be associated with the function of the Federal installation (N.J.A.C. 7:50-5.29(a)) and certain other conditions are met.

As part of its Pinelands Development Application, the applicant advised Commission staff that New Jersey Natural Gas currently maintains a natural gas distribution system throughout the Lakehurst portion of Joint Base McGuire-Dix-Lakehurst (JB MDL) and that the proposed natural gas pipeline would be associated with the function of JB MDL by providing energy redundancy to the Lakehurst portion of JB MDL.

Commission staff reviewed New Jersey Natural Gas Company's application for the proposed pipeline project and on December 9, 2015, issued a Certificate of Filing. Additionally, on February 4, 2016, Commission staff sent a letter to the staff of the BPU requesting that the Board provide the Commission with a copy of the New Jersey Natural Gas Company's N.J.S.A. 40:55D-19 petition; notice of any hearings, public meetings or other formal proceedings pertaining to the petition; and copies of any written reports or comments that the Board may receive that raise issues concerning the standards of the Pinelands CMP. The BPU provided the Commission with copies of the all the pleadings, discovery, transcripts and copies of all public comments received by the Board regarding this matter.

Conclusion

Based on the Certificate of Filing dated December 9, 2015, and review of the additional information submitted to the BPU as part of its public and evidentiary hearings, the finding in the December 9, 2015 Certificate of Filing issued for the proposed project continues to be valid. The only new issue raised as part of the BPU process pertained to whether the proposed project was associated with a function of Joint Base McGurie Dix Lakehurst. The application record for the proposed project aptly supports the Joint Base's need for the proposed project. Thus, "the applicant has demonstrated that the proposed gas main is a permitted land use in a Military and Federal Installation Area 7:50-5.29(a)2.

Sincerely,

Nancy Wittenberg

Executive Director

c: Charles M. Horner, PP, Director, Regulatory Programs Cynthia Covey, Chief Counsel