



Agenda Date: 6/7/10

Agenda Item: IIB

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY	)	ORDER
NATURAL GAS FOR APPROVAL OF A MUNICIPAL	)	
FRANCHISE IN THE BOROUGH OF ATLANTIC	)	
HIGHLANDS, MONMOUTH COUNTY	)	DOCKET NO. GE10020113

(SERVICE LIST ATTACHED)

Tracey Thayer, Esq., Wall, New Jersey, on behalf of Petitioner, New Jersey Natural Gas
Henry M. Ogden, Esq., Newark, New Jersey, on behalf of the Division of Rate Counsel

BY THE BOARD:

New Jersey Natural Gas ("NJNG" or "Company"), a regulated utility subject to the jurisdiction of the Board of Public Utilities ("Board"), is a corporation duly organized under the laws of the State of New Jersey engaged in the distribution and transportation of natural gas. NJNG distributes natural gas and provides transportation service to over 487,000 residential, commercial and industrial customers located in Monmouth and Ocean counties and parts of Middlesex, Burlington and Morris counties in New Jersey.

NJNG is currently providing natural gas service within the Borough of Atlantic Highlands ("Borough") in Monmouth County, New Jersey to approximately 1,788 customers as of March 31, 2010. The Company's current franchise with the Borough expired on February 25, 2010, after a term of fifty (50) years.

On January 27, 2010, the Borough Council adopted Resolution 027-2010 renewing NJNG's franchise for a period of fifty (50) years. A copy of this Resolution is attached as Exhibit "A" to this Order. By letter dated February 9, 2010, a copy of which is attached as Exhibit "B" to this Order, NJNG accepted and agreed to the terms and conditions of the franchise.

On February 11, 2010, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, NJNG filed a petition requesting that the Board give its approval to the consent adopted by the Borough. As required by law, and after notice, a hearing in this matter was held on April 20, 2010, at the Board's Newark offices. Appearances were made on behalf of the Company, the Board's Staff and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"). No other party participated in the hearing or filed any written submission with the Board related to this proceeding.

At hearing, the Company relied on the testimony of John B. Wyckoff, its Manager of Engineering. Mr. Wyckoff testified that the Company continues to have sufficient capacity, staff and expertise to ensure its ability to continue to provide safe, adequate and proper service to its customers located within the Borough, and that there have been no service interruptions or major complaints. He also indicated that customers in the Borough would continue to be served by the local business office located in the Borough.

After a full review of the entire record, the Board HEREBY FINDS that the municipal consent, which is the subject of this matter, is necessary and proper for the public convenience and properly conserves the public interests and that New Jersey Natural Gas continues to have the ability to provide safe, adequate and proper service to its customers located in the Borough of Atlantic Highlands. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, HEREBY APPROVES the consent granted to New Jersey Natural Gas by the Borough of Atlantic Highlands for the provision of gas utility service in the Borough as sought in NJNG's petition.

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

1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by NJNG.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board or of 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 NJNG.
3. The rates for service to NJNG's customers in the Borough shall continue to be those set in the Company's current tariff approved by and on file with the Board. These rates shall remain in effect until otherwise approved by the Board.
4. Approval of this municipal consent does not constitute Board approval of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the franchise, including, but not limited to, cost of construction, contributions in aid of construction, depreciation on

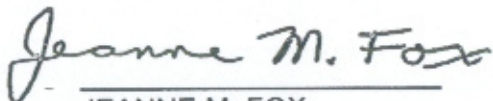
contributed plant, the cost of connection, or any related capital improvements, and the allocation of such costs and expenses, shall be made in an appropriate subsequent proceeding.

DATED: 6/7/10

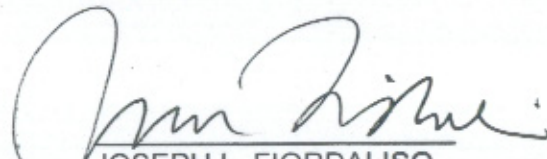
BOARD OF PUBLIC UTILITIES
BY:



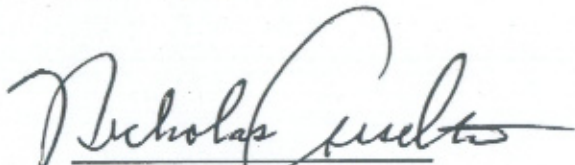
LEE A. SOLOMON
PRESIDENT



JEANNE M. FOX
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER

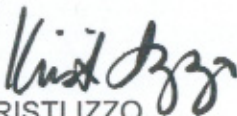


NICHOLAS ASSELTA
COMMISSIONER



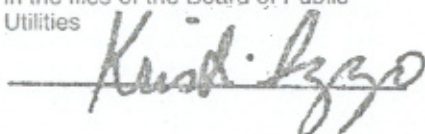
ELIZABETH RANDALL
COMMISSIONER

ATTEST:



KRISTI IZZO
SECRETARY

THEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



**I/M/O THE PEITION OF NEW JERSEY NATURAL GAS FOR APPROVAL OF A MUNICIPAL
FRANCHISE IN THE TOWNSHIP OF ATLANTIC HIGHLANDS, MONMOUTH COUNTY**

BPU DOCKET NO. GE10020113

SERVICE LIST

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Ricky John, PhD
Division of Energy
Board of Public Utilities
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RESOLUTION 027-2010

AUTHORIZING THE EXTENSION OF FRANCHISE RIGHTS TO NEW JERSEY NATURAL GAS FOR THE CONTINUATION OF SERVICES

WHEREAS the New Jersey Natural Gas Company obtained the consent of this municipality to exercise its franchise rights by ordinance dated December 22, 1959, to lay and maintain gas mains, pipes and service pipes, in and under the surface of any or all of the roads, streets, avenues, highways and public places, for the purpose of furnishing gas therein; and

WHEREAS said consent is limited to a period of fifty (50) years, and, by the terms thereof, expires on February 25, 2010; and

WHEREAS, New Jersey Natural Gas Company is desirous of obtaining consent of the municipality to continue serving the Municipality;

NOW, THEREFORE, BE IT RESOLVED, that New Jersey Natural Gas Company be and is hereby authorized to lay, maintain and operate its conductors, mains, and pipes, together with the appurtenances thereto, in all the public streets, alleys, squares and public places in this municipality which are under the control and jurisdiction of the Borough for the purpose of conducting gas, or any mixture of gases of various types' including natural gas, for the purpose of transmitting and distributing such gas in this municipality for a period of fifty (50) years from the date hereof, upon the following terms and conditions:

New Jersey Natural Gas Company shall agree that, in all cases in which street openings or excavations are made for the purposes aforesaid, the pavement and the surface of the streets, alleys, squares or roadways shall be restored to the same condition as existed prior to the opening thereof; and

That the New Jersey Natural Gas Company shall conduct the work or the laying or maintaining of gas pipes therein in a careful and prudent manner.

BE IT FURTHER RESOLVED that New Jersey Natural Gas Company shall file with the Clerk of this Municipality, within sixty (60) days from the date hereof, its acceptance of the terms and provisions of the franchise consent herein granted and its agreement to be bound by the terms and provisions thereof.

BE IF FURTHER RESOLVED, that this resolution shall not become effective until it is approved by the Board of Public Utilities of the State of New Jersey.

A motion offered by Councilman R Dellosso, duly seconded by Councilman L Fligor

This motion was passed by the following vote:

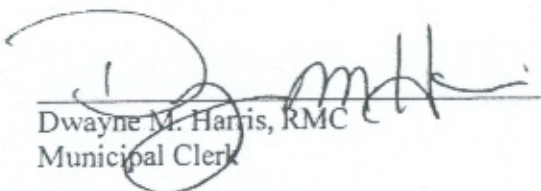
Ayes: Councilman J Archibald, Councilman R Dellosso, Councilman P Doyle, Councilman L Fligor, Councilman J Hoffmann and Councilman R Sutton (6)

Nays: None (0)

Abstain: None (0)

Absent: None (0)

I, Dwayne M. Harris, Municipal Clerk of the Borough of Atlantic Highlands, in the County of Monmouth, State of New Jersey, hereby certify this to be a true copy of the action of the Governing Body at its meeting held January 27, 2010. WITNESS my hand and the Seal of the Borough of Atlantic Highlands this 2nd day of February 2010.


Dwayne M. Harris, RMC
Municipal Clerk



February 9, 2010

Dwayne M. Harris, RMC
Municipal Clerk
Borough of Atlantic Highlands
Borough Hall
100 First Ave.
Atlantic Highlands, NJ 07716

**Re: RESOLUTION 027-2010
Authorizing the Extension of
Franchise Rights to NJNG**

Dear Mr. Harris,

New Jersey Natural Gas Company ("NJNG") hereby accepts the terms and provisions of the Franchise Consent granted by the Borough Council on February 2, 2010 and hereby agrees to be bound by the terms and provisions thereof.

Please be advised that NJNG will present the resolution to the New Jersey Board of Public Utilities (BPU) for approval. We will provide you with a copy of the final Decision and Order upon its issuance from the BPU.

Very truly yours,

A handwritten signature in black ink that reads 'Tracey Thayer'.

Tracey Thayer, Esq.
Director, Regulatory Affairs Counsel

TT:fk