



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY FOR APPROVAL OF A) DECISION AND ORDER
MUNICIPAL CONSENT IN THE TOWNSHIP OF)
WINSLOW, CAMDEN COUNTY, NEW JERSEY) DOCKET NO. GE13030256

Parties of Record:

Stacy A. Mitchell, Esq., on behalf of Petitioner, South Jersey Gas Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

South Jersey Gas Company ("SJG" or "Company"), a regulated utility subject to the jurisdiction of the Board of Public Utilities ("Board"), is a corporation duly organized under the laws of the State of New Jersey engaged in the business of transmission and distribution of natural gas to approximately 360,000 customers within its service territory.

According to the information provided in its petition, as updated by testimony at the public hearing, SJG currently provides natural gas service within the Township of Winslow ("Township") to approximately 10,545 residential and approximately 477 commercial customers. The Company's consent from the Township expired on September 27, 1997.¹ On March 27, 2012, the Township renewed its consent by adopting Ordinance No. 0-2012-006 which gives SJG exclusive and perpetual consent and permission to furnish gas service to the Township and to lay and construct its facilities within the public rights-of-way. By letter dated April 30, 2012, the Company accepted and agreed to the terms of the consent. Copies of the Ordinance and the letter of acceptance are attached to this Order as Exhibits "A" and "B," respectively.

¹ The Board notes that municipal consents often expire some time prior to their renewal even when the Company initiates the renewal process prior to the expiration of the previous term. This is primarily the result of the time necessary for a municipality to fulfill the legal requirements that attend to all formal actions it must take along with the additional time for hearing and Board approval as required by law. The Board has been assured that pending review of its petition, SJG has continued to provide service to its customers within the Township in an uninterrupted manner.

On March 26, 2013, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, SJG filed a petition requesting that this Board give its approval to the consent adopted by the Township. As required by law and after notice, a hearing in this matter was held on June 12, 2013, before Edward D. Beslow, Esq., the Board's duly appointed Hearing Examiner. Appearances were made on behalf of the Company, the Division of Rate Counsel ("Rate Counsel") and Board Staff. No other party participated in the hearing or filed any written submission with the Board related to this proceeding.

At hearing, the Company relied on its petition and exhibits filed with the Board and presented the testimony of Charles F. Dippo, its Senior Vice-President, Engineering Services. According to Mr. Dippo's testimony, SJG anticipates growth in its defined service territory to be approximately 1% annually for the next 3 to 5 years. Mr. Dippo stated that the Company has the capacity to ensure continuation of its natural gas service and does not foresee any concerns regarding its ability to meet the existing and future demands of the Township.

While not opposed to its approval, Rate Counsel, in its written comments to the petition dated July 9, 2013, recommended that the Board condition its approval on the limitation of the consent to a reasonable period not to exceed 50 years, and that any Order approving the consent reserve ratemaking issues for future proceedings. Rate Counsel maintains that grants in perpetuity are not favored under New Jersey law, and under N.J.S.A. 48:2-14, the Board can impose conditions on its approvals, including limiting the consent to a reasonable term.

The Company responded to Rate Counsel's comments by letter dated July 17, 2013, objecting to the proposed limitation/modification of the duration of the consent as it relates to the right to provide gas service to the Township. SJG argued that the imposition by the Board of any limitation on the duration of that portion of the consent would be contrary to the expressed intent of the Township, unsupported by the record in the proceeding and inconsistent with existing law. The Company stated that the portion of the consent related to the use of the streets is limited to 50 years.

After a full review of the entire record, including Rate Counsel's comments and the Company's reply, 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 interest, and that SJG has the ability to provide safe, adequate and proper service. The Board **FURTHER FINDS** that the Company has the necessary experience, financial capability, capacity and facilities in the Township to continue to provide adequate and appropriate service to its existing customers. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, **HEREBY APPROVES** the consent granted to SJG by the Township for the provision of gas service in the Township as sought in the Company's petition with the limitation noted below.

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

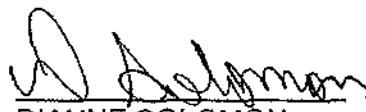
1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by SJG.
2. This Order shall not affect, nor in any way limit, the exercise of the authority of this Board of the State in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

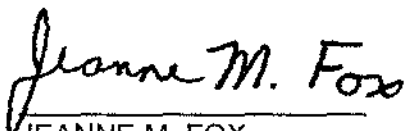
3. In an appropriate subsequent proceeding, SJG shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.
4. The rates for service to the Company's customers in the Township shall continue to be those set out in the Company's current tariff approved by and on file with the Board. These rates shall remain in effect until otherwise approved by the Board.
5. Approval of this municipal consent does not constitute Board approval of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the franchise, including but not limited to, cost of construction, contributions in aid of construction, depreciation on contributed plant, the cost of connection, or any related capital improvements, and the allocation of such costs and expenses, shall be made in an appropriate subsequent proceeding.
6. The Company has agreed to a 50-year limitation on the consent for the use of the streets as set out in N.J.S.A. 48:3-15. The term of the consent as to the right to provide service is not limited by this Order and shall be effective as granted by the Township.

This Order shall be effective as of May 2, 2014.

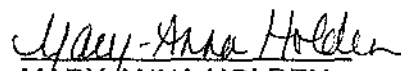
DATED: 4/24/14

BOARD OF PUBLIC UTILITIES
BY:

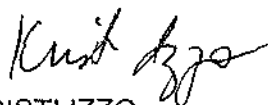

DIANNE SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER

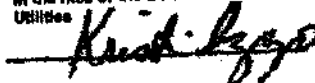

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

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



IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY
FOR APPROVAL OF A MUNICIPAL CONSENT IN THE TOWNSHIP OF WINSLOW,
CAMDEN COUNTY, NEW JERSEY - DOCKET NO. GE13030256

SERVICE LIST

South Jersey Gas:

Stacy A. Mitchell, Esq.
Cozen O'Connor, P.C
457 Haddonfield Road, Suite 300
Post Office Box 5459
Cherry Hill, New Jersey 08002
smitchell@cozen.com

John F. Stanziola
Director, Regulatory Affairs
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
istanziola@sjindustries.com

Gina Merritt-Epps, Esq.
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
gmerritt@sjindustries.com

Abbey Greenberg
Public Affairs Specialist –
Government and Regulatory Affairs
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037
agreenberg@sjindustries.com

Babette Tenzer, DAG
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
babette.tenzer@dol.lps.state.nj.us

Board of Public Utilities:

Board of Public Utilities
Division of Energy
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Jerome May, Director
jerome.may@bpu.state.nj.us

Thomas Walker, Chief
thomas.walker@bpu.state.nj.us

Ricky John, Ph.D.
ricky.john@bpu.state.nj.us

Rate Counsel:

Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.state.nj.us

Felicia Thomas-Friel, Assistant Deputy Rate
Counsel
ftomas@rpa.state.nj.us

Kurt Lewandowski, Assistant Deputy Rate
Counsel
klewando@rpa.state.nj.us

Brian Lipman, Litigation Manager
blipman@rpa.state.nj.us

EXHIBIT

A

EXHIBIT "A"

ORDINANCE NO. 0-____-12

TOWNSHIP OF WINSLOW
COUNTY OF CAMDEN
STATE OF NEW JERSEY

ORDINANCE OF THE TOWNSHIP OF WINSLOW, COUNTY OF CAMDEN,
AND STATE OF NEW JERSEY, GIVING AND GRANTING
CONSENT AND PERMISSION TO SOUTH JERSEY GAS COMPANY TO FURNISH
GAS FOR LIGHT, HEAT AND POWER

WHEREAS, South Jersey Gas Company ("SJG") currently provides gas service to the Township of Winslow ("Township") and its residents pursuant to municipal consent first granted by the Township, and approved by the New Jersey Board of Public Utilities, in 1947; and

WHEREAS, pursuant to N.J.S.A. 48:3-15, the Township's consent to SJG to lay and maintain its gas mains, pipes and service pipes, either above, below or on the surface of any street, avenue, park, parkway, highway, or other public place, for the purpose of furnishing gas has expired; and

WHEREAS, the Township has received correspondence dated January 25, 2012 from SJG's Office of Governmental and Regularly Affairs requesting that it renew the required municipal consent; and

WHEREAS, the Mayor and Township Committee of the Township of Winslow ("Township"), County of Camden, State of New Jersey, have deemed it in the best interest of the public health, safety and welfare of the Township and its residents to establish and grant the requested consent and permission to SJG, a corporation of the State of New Jersey, to furnish gas for light, heat and power in the Township.

0-2012-006

NOW, THEREFORE, be it ordained by the Mayor and Township Committee of the Township of Winslow, County of Camden, State of New Jersey as follows:

SECTION 1. That exclusive and perpetual consent and permission to furnish gas for light, heat and power in the Township of Winslow, County of Camden, State of New Jersey, is hereby given and granted to South Jersey Gas Company, a corporation of the State of New Jersey, subject to approval of such consent and permission by the Board of Public Utilities of the State of New Jersey.

SECTION 2. That exclusive and perpetual consent and permission is hereby given to South Jersey Gas Company to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within Township of Winslow in the manner required by R.S. 48:9-21, with respect to the opening of streets and public places, subject to approval of such consent and permission by the Board of Public Utilities.

SECTION 3. The consents granted in Sections 1 and 2 are granted for the entire geographical area of Winslow Township and extend to the boundaries of the Township, provided, however, that the consents granted in Sections 1 and 2 are restricted to existing residential, commercial and industrial buildings, or replacements thereof, in existence on the date of introduction of this Ordinance.

SECTION 4. The said South Jersey Gas Company shall, within thirty (30) days after the passage of this ordinance, file with the Township Clerk a bond in the amount of One Thousand Dollars (\$1,000.00) conditioned upon the restoration of any street or public place which may be opened by it in a manner satisfactory to the Superintendent of the Department of Public Works and Township Engineer.


SECTION 5. All Ordinances or parts of Ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

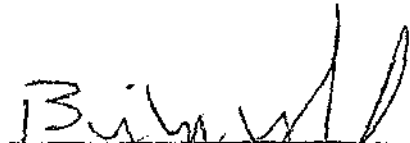
SECTION 6. If the provisions of any section, subsection, paragraph, subdivision, or clause of this Ordinance shall be judged invalid by a court of competent jurisdiction, such order of judgment shall not affect or invalidate the remainder of any section, subsection, paragraph, subdivision, or clause of this Ordinance.

SECTION 7. This Ordinance shall take effect upon passage and publication according to law.


Introduced: February 28, 2012

Adopted: MAR 27 2012


DEBORAH A. IANACO, RMC
TOWNSHIP CLERK


BARRY M. WRIGHT, MAYOR

Certified to be a true copy of an Ordinance adopted by the Mayor and Township Committee of the Township of Winslow at a regularly scheduled meeting on March 27, 2012, at the Winslow Township Municipal Building.


Deborah A. Iannaco, RMC
Township Clerk

Dated: 3/30/2012

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EXHIBIT

B



South Jersey Industries

Where we put all of our energy*

Jennifer L. Cohen, Esq.
Office of Corporate Counsel and Secretary
Director, Legal Affairs

April 30, 2012

Via Certified Mail

Deborah A Iannaco, RMC
Dominic Malese Municipal Complex
Municipal Clerk's Office
125 South Route 73
Braddock, New Jersey 08037-9422

Re: South Jersey Gas Company
- Acceptance of Ordinance No. 0-2012-006 Granting Municipal Consent and
Permission to South Jersey Gas Company to Furnish Gas for Light, Heat and
Power

Dear Ms. Iannaco,

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that on April 4, 2012, SJG received the fully executed copy of Ordinance No. 0-2012-006 (copy attached) granting municipal consent for SJG to provide gas and lay its pipes, mains and related appurtenances and facilities in the Township of Winslow, County of Camden, New Jersey. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 0-2012-006 as passed.

Should you have any questions, please do not hesitate to contact me.

Thank you.

Very truly yours,

Jennifer L. Cohen
jcohen@sjindustries.com

cc. G. Merritt-Epps, Esq.
J. Stanziola
D. Spinella
I. Megdal, Esq.
S. Mitchell, Esq.