



Agenda Date: 4/15/15  
Agenda Item: IID

**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 APPROVAL OF A )  
MUNICIPAL CONSENT IN THE CITY OF ESTELL )  
MANOR, ATLANTIC COUNTY, NEW JERSEY ) DOCKET NO. GE14091050

**Parties of Record:**

**Stacy A. Mitchell, Esq.**, Cozen O'Connor, P.C. on behalf of Petitioner, South Jersey Gas Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

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

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.

SJG currently provides natural gas service within the City of Estell Manor ("City") to approximately 8 (eight) residential and 5 (five) commercial customers. The Company's consent to use the streets within the City for the provision of gas service expired on October 5, 2000,<sup>2</sup> pursuant to the fifty (50) year statutory limitation set forth in N.J.S.A. 48:3-15. On August 13, 2014, the City adopted Ordinance No. 09-2014, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the City for a period of fifty (50) years to allow SJG to continue to provide gas service to the City. By letter dated September 4, 2014, 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.

<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.

<sup>2</sup> The Board notes that municipal consents often expire some time prior to their renewal even when the Company initiates the renewal process prior to the expiration of the previous term. This is primarily the result of the time necessary for a municipality to fulfill the legal requirements that attend to all formal actions it must take along with the additional time for hearing and Board approval as required by law. The Board has been assured that pending review of its petition, SJG has continued to provide service to its customers within the City in an uninterrupted manner.

On September 25, 2014, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, SJG filed a petition requesting that the Board approve the consent adopted by the City. As required by law and after notice, a hearing in this matter was held on December 2, 2014 before William Agee, Esq., the Board's duly appointed hearing officer. Appearances were made on behalf of the Company, the Division of Rate Counsel ("Rate Counsel") and Board Staff. No other party participated in the hearing or filed any written submission with the Board related to this proceeding.

At the hearing, the Company relied on its petition and exhibits filed with the Board and presented the testimony of Joseph Schneider, its General Manager of System Engineering and Planning. According to Mr. Schneider's testimony, SJG anticipates growth in its defined service territory to be approximately one (1) percent annually for the next three (3) to five (5) years. According to the Company, it has the capacity to ensure continuation of its natural gas service and does not foresee any concerns regarding its ability to meet the existing and future demands of the City.

Rate Counsel, in its written comments to the petition dated February 5, 2015, indicated that it does not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty (50) years. However, Rate Counsel requests that approval of the petition include certain restrictions which are incorporated herein.

Following the receipt of Rate Counsel's comments, SJG filed correspondence with the Board on February 18, 2015 indicating that it had no additional comments.

After a full review of the entire record, the Board **HEREBY FINDS** that the municipal consent for use of the streets, which is the subject of this matter, is necessary and proper for the public convenience and properly 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 City to continue to provide adequate and appropriate service to its existing customers as well as expected future customers, and that the fifty (50) year duration of the municipal consent to use the streets is consistent with N.J.S.A. 48:3-15. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, **HEREBY APPROVES** the consent granted to SJG by the City for the continued use of its public streets for a period of fifty (50) years for the provision of gas service in the City subject to the following provisions:

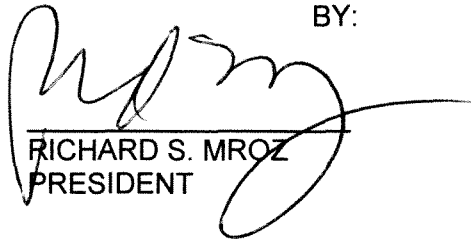
1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by SJG.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board of the State in any future petition or in any proceedings with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or in any other matters affecting SJG.
3. In an appropriate subsequent proceeding, SJG shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.

4. The rates for service to the Company's customers in the City shall continue to be those set out in the Company's current tariff approved by, and on file with, the Board. These rates shall remain in effect until otherwise approved by the Board.
5. Approval of this municipal consent does not constitute Board approval of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of the costs and expenses related to the franchise including, but not limited to, cost of construction, contributions in aid of construction, depreciation on contributed plant, the cost of connection, or any related capital improvements, and the allocation of such costs and expenses, shall be made in an appropriate subsequent proceeding.
6. The term of the municipal consent as to the right to provide service is not limited by this Order and shall be effective as previously granted by the City.

This Order shall be effective as of April 24, 2015.

DATED: 4/15/15

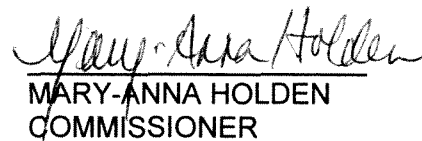
BOARD OF PUBLIC UTILITIES  
BY:



RICHARD S. MROZ  
PRESIDENT



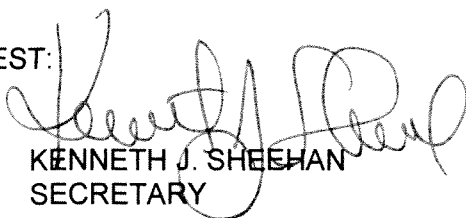
JOSEPH L. FIORDALISO  
COMMISSIONER



MARY-ANNA HOLDEN  
COMMISSIONER

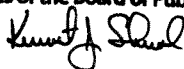


DIANNE SOLOMON  
COMMISSIONER

ATTEST: 

KENNETH J. SHEEHAN  
SECRETARY

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



IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL  
OF A MUNICIPAL CONSENT IN THE CITY OF ESTELL MANOR, ATLANTIC COUNTY,  
NEW JERSEY - DOCKET NO. GE14091050

SERVICE LIST

**South Jersey Gas Company:**

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](mailto: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](mailto:istanziola@sjindustries.com)

Gina Merritt-Epps, Esq.  
South Jersey Gas Company  
One South Jersey Plaza  
Route 54  
Folsom, NJ 08037  
[gmerritt@sjindustries.com](mailto: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](mailto: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](mailto:babette.tenzer@dol.lps.state.nj.us)

**Board of Public Utilities:**

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

Jerome May, Director  
[jerome.may@bpu.state.nj.us](mailto:jerome.may@bpu.state.nj.us)

John Masiello  
[john.masiello@bpu.state.nj.us](mailto:john.masiello@bpu.state.nj.us)

Megan Lupo, Esq.  
[megan.lupo@bpu.state.nj.us](mailto:megan.lupo@bpu.state.nj.us)

**Rate Counsel:**

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

Stefanie A. Brand, Esq., Director  
[sbrand@rpa.state.nj.us](mailto:sbrand@rpa.state.nj.us)  
[smassey@rpa.state.nj.us](mailto:smassey@rpa.state.nj.us)

Felicia Thomas-Friel, Esq.  
[ftthomas@rpa.state.nj.us](mailto:ftthomas@rpa.state.nj.us)

Brian O. Lipman, Litigation Manager  
[blipman@rpa.state.nj.us](mailto:blipman@rpa.state.nj.us)

Kurt Lewandowski, Esq.  
[klewando@rpa.state.nj.us](mailto:klewando@rpa.state.nj.us)



# Exhibit A

**CITY OF ESTELL MANOR**

**ORDINANCE NO. 09-2014**

**"AN ORDINANCE GRANTING CONSENT  
AND PERMISSION TO SOUTH JERSEY GAS COMPANY TO USE THE  
PUBLIC STREETS TO FURNISH GAS FOR LIGHT, HEAT AND  
POWER IN THE CITY OF ESTELL MANOR"**

**WHEREAS**, South Jersey Gas Company, a corporation of the State of New Jersey provides natural gas service to City of Estell Manor pursuant to the municipal consent and permission previously granted to South Jersey Gas Company in an Ordinance passed by the City of Estell Manor; and

**WHEREAS**, the City of Estell Manor's grant of consent and permission to South Jersey Gas Company has expired; and

**WHEREAS**, pursuant to N.J.S.A. 48:3-15, South Jersey Gas Company seeks to renew consent and permission of the City of Estell Manor to permit South Jersey Gas Company to use the public streets to furnish gas for light, heat and power in the City of Estell Manor; and

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of Estell Manor, County of Atlantic, and State of New Jersey as follows:

**Section 1.** Subject to the provisions of applicable City Ordinances, consent and permission is hereby granted to South Jersey Gas Company, its successors and assigns, to lay and construct its pipes and mains related appurtenances and facilities within the streets, alleys, squares and public places within City of Estell Manor in the manner prescribed by N.J.S.A. 48:9-21, subject to approval of such consent and permission by the Board of Public Utilities.

**Section 2.** This consent is granted for the entire geographical area of City of Estell Manor and extends to the boundaries of the City of Estell Manor and shall remain in effect for a

period of fifty (50) years from the date of final adoption of this Ordinance, subject to the approval of the Board of Public Utilities.

**Section 3.** All lines, underground conduits, together with all associated equipment, fixtures and appurtenances (hereinafter "Facilities" or "Facility") shall be located, installed and maintained so as not to interfere with any public water, sanitary sewer, storm drainage or other public facilities, fixtures and appurtenances (hereinafter "Public Facility").

**Section 4.** South Jersey Gas Company agrees to abandon and relocate, at its sole expense, all Facilities that reasonably interfere with construction, re-construction, and maintenance of any Public Facility.

**Section 5.** South Jersey Gas Company shall indemnify and hold harmless the City of Estell from all claims or suits for damages arising from the location, construction, re-construction or maintenance of any Facility.

**Section 6.** South Jersey Gas Company shall comply with all applicable City Ordinances, and any amendments thereto, with respect to all requirements for the opening of streets and public places.

**Section 7.** If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by any Court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.

**Section 8.** All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of such inconsistency.

**Section 9.** This Ordinance shall take effect upon posting, publication, final passage in the matter prescribed by law, and acceptance by South Jersey Gas Company pursuant to N.J.S.A. 48:3-16.




This is to certify that the foregoing Ordinance was given its First Reading by Title at a Regular Meeting of the Governing Body of the City of Estell Manor held July 16, 2014. It was advertised by law and given a Second Reading by Title and Public Hearing at a Regular Meeting of the Governing Body of the City of Estell Manor held on August 13, 2014, after which time it was finally adopted.

ATTEST:

  
\_\_\_\_\_  
Fern A. Brown, Deputy Clerk

GOVERNING BODY OF  
THE CITY OF ESTELL MANOR

BY:   
\_\_\_\_\_  
Stephen Teasenz, Mayor

Date: Introduction- July 16, 2014  
Publication- July 24, 2014  
Adoption- August 13, 2014  
Publication- August 18, 2014

# Exhibit B



**Gina Merritt-Epps, Esq.**  
**Office of General Counsel and Corporate Secretary**  
*General Counsel and Corporate Secretary*

September 4, 2014

*(Via email: [emcityclerk@verizon.net](mailto:emcityclerk@verizon.net) )*


Fern A. Brown, Deputy Clerk  
City of Estell Manor  
148 Cumberland Avenue  
Estell Manor, NJ 08319

Re: Acceptance of Ordinance No. 09-2014 Granting Municipal Consent to South Jersey Gas Company to Use the Streets for the Provision of Natural Gas Service

Dear Ms. Brown:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 09-2014 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the City of Estell Manor. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 09-2014, as passed.

Very truly yours,

  
Gina Merritt-Epps  
[gmerritt@sjindustries.com](mailto:gmerritt@sjindustries.com)

Enclosure

cc: John Stanziola, Director, Regulatory Affairs  
Sherri Ramos, Supervisor, Revenue Analyst Permits  
Abbey Greenberg, Public Affairs Specialist  
Stacy A. Mitchell, Esq.