



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 TOWN OF)
HAMMONTON, ATLANTIC COUNTY, NEW JERSEY) DOCKET NO. GE13111084

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.

SJG currently provides natural gas service within the Town of Hammonton ("Town") to approximately 3,761 residential, 532 commercial and 8 industrial customers. The Company's consent to use the streets within the Town for the provision of gas service expired on October 27, 1997.¹ On September 23, 2013, the Town adopted Ordinance 021-2013 by which it renewed its consent and granted SJG permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Town for a period of 50 years in the manner prescribed by N.J.S.A. 48:9-21. By letter dated October 16, 2013, the Company accepted and agreed to the terms of the consent. Copies of the original and current Ordinances and the letter of acceptance are attached to this Order as Exhibits "A", "B" and "C" 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 Town in an uninterrupted manner.

On November 13, 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 Town. As required by law and after notice, a hearing in this matter was held on December 11, 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 Robert Fatzinger, its Senior Vice-President, Engineering Services. According to Mr. Fatzinger's testimony, SJG anticipates growth in its defined service territory to be approximately 1% for the next 3 to 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 Town.

Rate Counsel, in its written comments to the petition, dated January 21, 2014, stated that it had no objection to the granting of the relief requested by SJG provided that the Board clarified that the consent to the term of the consent to use the streets is limited to 50 years. Rate Counsel also recommended that the Board include in its Order the terms and conditions that have been traditionally been made part thereof.

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 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 Town 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 Town for the continued use of its public streets for a period of 50 years to allow for the provision of gas service in the Town as sought in the Company's petition.

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

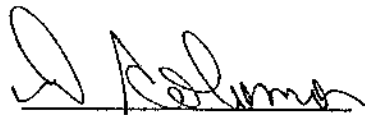
1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by SJG.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board of the State in any 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 Town 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. 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 Town.

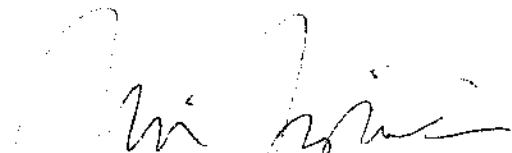
This Order shall be effective as of May 2, 2014.

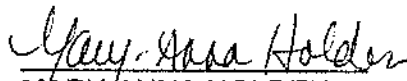
DATED: 4/24/14

BOARD OF PUBLIC UTILITIES
BY:


DIANNE SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER

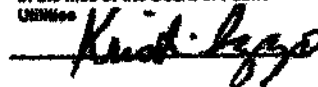

JOSEPH L. FIORDALISO
COMMISSIONER


MARYANNA 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 TOWN OF HAMMONTON,
ATLANTIC COUNTY, NEW JERSEY - DOCKET NO. GE13111084

SERVICE LIST

South Jersey Gas:

Stacy A. Mitchell, Esq.
Cozen O'Connor, P.C
457 Haddonfield Road, Suite 300
P.O. 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
fthomas@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

AN ORDINANCE GIVING AND GRANTING CONSENT AND PERMISSION
TO SOUTH JERSEY GAS COMPANY TO FURNISH GAS FOR LIGHT,
HEAT AND POWER IN THE TOWN OF HAMMONTON, IN THE
COUNTY OF ATLANTIC

BE IT ORDAINED by the Mayor and Council
Council of the Town of Hammonton, in the County of
Atlantic;

1. That consent and permission to furnish gas for
light, heat and power in the Town of Hammonton, in the
County of Atlantic, is hereby given and granted to South
Jersey Gas Company, subject to approval of such consent
and permission by the Board of Public Utility Commissioners
of the State of New Jersey.

2. The said South Jersey Gas Company shall lay and
construct its pipes and mains within the Town of Hammon-
ton in the manner required by N.J. 40:17-21 and subject to
reasonable regulations with respect to the opening of
streets and public places imposed by ^{the} Mayor and Council
Council.

3. South Jersey Gas Company shall within thirty (30)
days after the passage of this ordinance file with the
town clerk a bond in the amount of One Thousand Dollars
(\$1,000) conditioned for the restoration of any street

I, JOHN JACOB, Clerk of the Town of
Hamorton, in the County of Atlantic, do hereby
certify that the foregoing ordinance granting con-
sent and permission to the South Jersey Gas Company
to furnish gas for light, heat and power in the
Town of Hamorton, in the County of Atlantic, is
a true copy of said ordinance as introduced at a
meeting of the Mayor and Common Council of said
Town of Hamorton, held on the 15th day of October,
1917, and finally passed at a meeting of said Mayor
and Common Council held on the 27th day of October,
1917.


John Jacobs, Town Clerk.

EXHIBIT B

Ordinance # 021-2013

AN ORDINANCE
GRANTING RENEWED CONSENT AND PERMISSION TO THE SOUTH JERSEY GAS COMPANY TO USE
THE PUBLIC STREETS TO FURNISH GAS
FOR LIGHT, HEAT AND POWER IN THE TOWN OF HAMMONTON

WHEREAS, South Jersey Gas Company, a New Jersey corporation, provides natural gas service to Town of Hammonton pursuant to the municipal consent first granted to South Jersey Gas Company in that certain Ordinance passed on October 27, 1947 ; and

WHEREAS, South Jersey Gas Company now seeks, pursuant to N.J.S.A. 48:3-15, the consent of the Town of Hammonton to renew the October 27, 1947 Ordinance, Section 2, applicable to the use of the streets in the Town of Hammonton, by adopting the following Ordinance; and

WHEREAS, the Mayor and Council of the Town of Hammonton have concluded that the granting of said consent shall enhance the health, safety and welfare of the citizens of the Town of Hammonton.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF HAMMONTON AS FOLLOWS:

Section 1. That exclusive consent and permission is hereby renewed and 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 the Town of Hammonton in the manner required by N.J.S.A. 48:9-21, and subject to reasonable regulations imposed by ordinance or resolution 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 2. This consent is granted for the entire geographical area of the Town of Hammonton and extend to the boundaries of the Town of Hammonton. Further this consent shall remain in effect for a period of fifty (50) years from the date of final adoption of this Ordinance by Mayor and Council of the Town of Hammonton.

Section 3. The said South Jersey Gas Company shall within thirty (30) days after the passage of this Ordinance file with the Town Clerk a bond in the amount of Five Thousand Dollars (\$5,000.00) conditioned upon the restoration of any street or public place which may be opened by it in a manner satisfactory to the Public Works Manager.

Section 4. 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 5. This Ordinance shall take effect after immediately upon its final passage and publication according to law, and acceptance by South Jersey Gas Company.

Introduced: August 26, 2013
Adopted: September 23, 2013

THE FOREGOING DOCUMENT IS HEREBY CERTIFIED
BY ME TO BE A TRUE AND CORRECT COPY OF THE
TOWN OF HAMMONTON


APRIL BOYER MAIMONE, MUNICIPAL CLERK

EXHIBIT C



South Jersey Gas

*Where we put all of our energy**

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

October 16, 2013

(via email at amaimone@townofhammonton.org)

Audrey Boyer Maimone, Municipal Clerk
Town of Hammonton
100 Central Avenue
Hammonton, NJ 08037

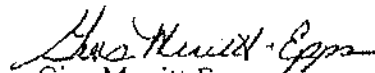
Re: Acceptance of Ordinance No. 021-2013 Granting Municipal Consent to South Jersey Gas Company to Furnish Gas for Light, Heat and Power

Dear Ms. Boyer:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that we received a fully executed copy of Ordinance No. 021-2013 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the Town of Hammonton. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 021-2013, as passed.

In addition, I have enclosed a copy of the Performance and Maintenance Surety Bond submitted by SJG on October 11, 2013 in the amount of \$5,000 which is valid for the period of October 7, 2013 through October 6, 2014 (copy attached).

Very truly yours,


Gina Merritt-Epps
gmerritt@sjindustries.com

Enclosure

cc: (all via e-mail)
John Stanzola, Director, Regulatory Affairs
Sherri Vasu, Supervisor, Revenue Analyst Permits
Abbey Greenberg, Public Affairs Specialist
Ira G. Megdal, Esq.
Stacy A. Mitchell, Esq.