



**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 TOWNSHIP OF )  
GALLOWAY, COUNTY OF ATLANTIC, NEW JERSEY )  
DOCKET NO. GE11110811

**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<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 350,000 customers within its service territory.

SJG currently provides natural gas service within the Township of Galloway ("Township") to approximately 14,136 residential, 822 commercial and 6 industrial customers. The Company's most recent consent from the Township expired on October 6, 1997.<sup>2</sup> On October 27, 2011, the Township renewed its consent by adopting Ordinance No. 1841 which gave SJG exclusive consent to provide gas service and permission to lay and construct its facilities within the public rights-of way for a term of twenty-five (25) years. By letter dated November 4, 2011, 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.

On November 15, 2011, 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 submission of responses to Staff discovery requests and after notice,

<sup>1</sup> Commissioner Mary-Anna Holden did not participate.

<sup>2</sup> Notwithstanding the expiration of the consent, SJG has continued to provide service to its customers within the Township in an uninterrupted manner.

a hearing in this matter was held on January 25, 2012, 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 the hearing, the Company relied on its petition and exhibits filed with the Board and presented the testimony of Charles F. Dippe, its Vice-President of Engineering Services and System Integrity. Mr. Dippe testified that the Company has provided continuous service to the Township and retains the financial, facility base, operational expertise and capacity to maintain safe, adequate and proper service in the Township which he believes will experience a one percent annual growth in the number of customers served.

By letter dated March 7, 2012, Rate Counsel stated that it had no objection to the granting of the relief requested by SJG and 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 appropriate infrastructure to allow it 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 of Galloway for the provision of gas service in the Township 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. The rates for service to SJG's customers in the Township 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. 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.
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.

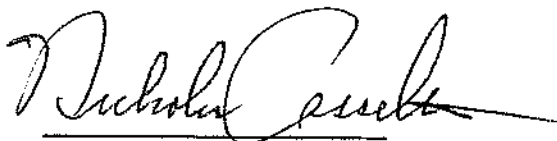
DATED: 10/23/12

BOARD OF PUBLIC UTILITIES  
BY:

  
ROBERT M. HANNA  
PRESIDENT

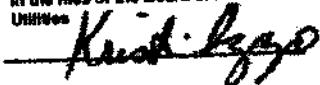
  
JEANNE M. FOX  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
NICHOLAS ASSELTA  
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 GALLOWAY,  
COUNTY OF ATLANTIC, NEW JERSEY  
DOCKET NO. GE11110811

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Galloway

# EXHIBIT "A"

ORDINANCE # 1841 OF 2011

**AN ORDINANCE GIVING AND GRANTING CONSENT AND PERMISSION TO THE SOUTH JERSEY GAS COMPANY, A CORPORATION OF THE STATE OF NEW JERSEY, TO FURNISH GAS FOR LIGHT, HEAT AND POWER IN THE TOWNSHIP OF GALLOWAY**

The members of the Township Council of the Township of Galloway do ordain:

Section 1. That exclusive consent and permission to furnish gas for light, heat and power in the Township of Galloway, County of Atlantic, State of New Jersey is hereby granted to South Jersey Gas Company, a corporation of the State of New Jersey for a period of twenty-five (25) years from the effective date of this Ordinance, subject to the approval by the New Jersey Board of Public Utilities and any other administrative agency with statutorily proscribed authority with respect to the granting of this consent

Section 2. That exclusive consent and permission to lay and maintain gas mains, pipes, service pipes, and all related appurtenances, either above, below or on the surface of any street, avenue, park, parkway, highway or other public place, for the purpose of furnishing gas for light, heat and power in the Township of Galloway, County of Atlantic, State of New Jersey is hereby granted to South Jersey Gas Company, a corporation of the State of New Jersey for a period of twenty-five (25) years from the effective date of this Ordinance, subject to the approval by the New Jersey Board of Public Utilities and any other administrative agency with statutorily proscribed authority with respect to the granting of this consent

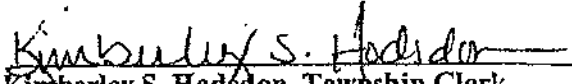
Section 3. The consents granted in Sections 1 and 2 are granted for the entire geographical area of the Township of Galloway and extend to the boundaries of the Township of Galloway

Section 4. The South Jersey Gas Company shall post a bond with the City Clerk in the amount of \$10,000.00 within thirty (30) days after passage of this ordinance, conditioned upon the restoration of any street or public place which may be opened by it in a manner satisfactory to the Director of the Department of Public Works.

Section 5. This ordinance shall take effect after its final passage and publication according to law

Notice is hereby given that the foregoing Ordinance was introduced in and passed first reading at a meeting of the Township Council of the Township of Galloway, County of Atlantic and State of New Jersey, held on October 11, 2011, and said Ordinance will be further considered for final passage and adoption at a public hearing to be held in the Municipal Complex located at 300 East Jimmie Leeds Road, Galloway, NJ. 08205, on October 25, 2011 at 6:30 P.M. or as soon thereafter as the matter may be reached.

**BY ORDER OF THE MUNICIPAL COUNCIL OF THE TOWNSHIP OF GALLOWAY**

  
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Kimberley S. Hodson, Township Clerk

“Certified as a true copy of an Ordinance which passed final reading At a regular meeting of the Galloway Township Council held on October 25, 2011”

FIRST READING 10/11/2011  
PUBLICATION 10/15/2011 + 10/18/2011  
SECOND READING 10/25/2011  
ADOPTION 10/27/2011  
Publication 10/21/2011

# **EXHIBIT "B"**





*South Jersey Industries*

*Where we put all of our energy®*

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

November 4, 2011

Steven Bonanni, Township Manager  
Galloway Township  
300 East Jimmie Leeds Road  
Galloway, New Jersey 08205

Re: South Jersey Gas Company  
Acceptance of Ordinance No. 1841 of 2011 Granting Municipal Consent to Provide Gas

Dear Mr. Bonanni:

I am writing on behalf of South Jersey Gas Company ("SJG") to advise that on November 3, 2011 we received a fully executed copy of Ordinance No. 1841 of 2011 (copy attached) granting municipal consent for SJG to provide gas and lay its mains and pipes in the Township of Galloway. Pursuant to the requirements of N.J.S.A. 48:3-16, SJG hereby accepts Ordinance No. 1841 of 2011, as passed.

Very truly yours,

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

Enclosure

cc: Deb Spinella, Government and Community Relations  
John Stanziola, Director of Regulatory Affairs  
Ira G. Megdal, Esq.  
Stacy A. Mitchell, Esq.