

Via Hand Delivery



May 21, 2015

Mr. Charles Horner
New Jersey Pinelands Commission
P.O. Box 359
New Lisbon, New Jersey 08064

Re: South Jersey Gas
Gas Pipeline Application
Pinelands Application #2012-0056.001
Cumberland, Atlantic & Cape May Counties, NJ

Dear Mr. Horner:

On behalf of South Jersey Gas ("SJG"), enclosed please find revisions to the subject application which proposes the construction of a 22-mile, 24-inch high pressure natural gas pipeline, approximately 10-miles of which would traverse the Pinelands Forest Area beneath the roadway or cleared shoulder of State Route 49 (the "Project"). The changes discussed below and in the enclosed revised application are designed to respond to comments and issues raised during the Memorandum of Agreement ("MOA") process and to account for changed circumstances since the January 2014 vote on the MOA.

SJG has modified the Project to substantially reduce impacts to the Forest Area by relocating the interconnect station to a parcel outside the Forest Area and by eliminating more than three miles of "open cut" pipe installation. The modifications will significantly reduce roadside disturbances in the Forest Area along Route 49. Also, the revised application accounts for significant new information that has emerged since the MOA vote. First, Woodard & Curran undertook a comprehensive re-examination of Project alternatives that concluded the proposed route has the least environmental impacts, by far, and therefore is the only practicable alternative to meet the Project needs. The New Jersey Department of Environmental Protection ("NJDEP") recently concurred with this finding based upon its review of all of the available information. Second, SJG is publishing its previously confidential agreement with RC Cape May Holdings, LLC, which shows SJG is obligated to provide an uninterrupted supply of natural gas to BLE at least 350 days per year, which represents 95 percent of the time. This information was not before the Commission during the MOA process because it was deemed not to be relevant once staff decided to review the Project through the MOA process. Third, PJM Interconnection, LLC ("PJM") has concluded, absent significant electric transmission system upgrades, the continued operation of BLE is vitally important to electric reliability in the Atlantic City Electric ("ACE") service territory, which covers 39 out of the 55 Pinelands municipalities having a combined population of 638,000 people.

In summary, the Project modifications coupled with this new information, establishes that the proposed pipeline will have the least environmental impact of any of the eight alternatives, will be used to supply a Pinelands use at least 95 percent of the time, will supply the vast majority of its throughput to the Pinelands, will dramatically reduce air pollution burdening the Pinelands environment and its people, and will help maintain electric reliability for 638,000 people living in the Pinelands. Proper consideration of this objective new information, which is provided in the attached Compliance Statement, demonstrates that the proposed pipeline is intended to primarily serve the needs of the Pinelands in



accordance with N.J.A.C. 7:50-5.23(b)12 and therefore is fully compliant with the Comprehensive Management Plan ("CMP"). Accordingly, we request that you issue a CMP-consistent Certificate of Filing for the Project. While not necessary, we also would note the facts and circumstances demonstrate clearly that multiple compelling public needs are served by the Project within the meaning of N.J.A.C. 7:50-4.64. The Project serves the vital needs of residents and businesses in Atlantic and Cape May County (many of whom live and work within the Pinelands) for safe and secure natural gas, electricity, and clean air. There is no debating that safe and secure electricity and natural gas are essential health and safety needs within the municipalities and counties served by the Project (N.J.A.C. §7:50-4.64(a)1), nor that the public health and safety demand that the Project be constructed (N.J.A.C. §7:50-4.64(a)1.i). The alternatives analysis clearly shows that these compelling needs cannot be served by any feasible alternative outside the Pinelands nor by any better alternative inside the Pinelands (N.J.A.C. §7:50-4.64(a)1.iv). The Project also will result in an overall improvement of the resources of the Pinelands Area, specifically the air resources of the Pinelands, which long has been adversely impacted by air pollution from BLE and other less-efficient electric generation plants located in Pennsylvania. (N.J.A.C. §§7:50-4.64(b) & -4.65(c)). The Project directly serves the compelling needs of the people in Cape May and Atlantic Counties and its proposed location results in the least impact on the environment.

Attached for your review are the following:

1. Comprehensive Management Plan Compliance Statement
2. Route Analysis dated June 18, 2012 and two addendums
3. Revised plans (two paper copies and one electronic copy)
4. New stormwater management plan for the relocated interconnect station
5. Letter from Upper Township acknowledging inclusion of Block 350, Lot 12 for the interconnect station
6. Cultural/Historic investigation of the new interconnect station parcel

We are collecting updated published threatened and endangered species information from State and Federal agencies that will be submitted to your office under separate cover, as soon as it is available.

We have enclosed 15 copies of the complete application package (not including the engineering plans) and request that you distribute them to each of the Pinelands Commissioners.

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

Sincerely,

WOODARD & CURRAN

A handwritten signature in black ink, appearing to read "Steven R. Ewing".

Steven R. Ewing
Vice President

SE

Enclosure(s)

cc: Pinelands Commissioners – with enc.

Richard Bethke P.E., South Jersey Gas - with enc.

Peter J. Fontaine, Esq. - w/o enc.
Richard Grubb, Richard Grubb & Associates – with electronic copy.
Bryon Dubois, Trident Environmental Consultants – with electronic copy.
John Gray, NJDEP - with electronic copy.
Eric Virosteck, NJDEP- with electronic copy.

Peter Romano, US Army Corps – with electronic copy.

PN: 225616.00

