



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 NEW JERSEY)
NATURAL GAS COMPANY FOR APPROVAL OF A)
MUNICIPAL FRANCHISE IN THE BOROUGH OF)
MANASQUAN, MONMOUTH COUNTY, STATE OF)
NEW JERSEY)

ORDER

DOCKET NO. GE12100913

PARTIES OF RECORD:

Tracey Thayer, Esq., Wall, New Jersey, on behalf of Petitioner, New Jersey Natural Gas Company

Stefanie Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

New Jersey Natural Gas Company ("NJNG" 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 distribution and transportation of natural gas. NJNG distributes natural gas and provides transportation service to over 500,000 residential, commercial and industrial customers located in Monmouth and Ocean counties, and parts of Middlesex, Burlington and Morris counties in New Jersey.

NJNG is presently providing natural gas service within the Borough of Manasquan ("Borough") in Monmouth County, New Jersey, and its current franchise with the Township expired on October 25, 2012, shortly after the petition in this matter was submitted by the Company.¹ On September 17, 2012, the Borough Council adopted Resolution #265-2012 renewing NJNG's franchise for a period of five (5) years. A copy of this Resolution is attached as Exhibit "A" to

¹ The Board would note, as reflected in the record, that municipal consents often expire sometime prior to their formal 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 would also note that during the lapse of time between the expiration of the subject consent and its renewal, NJNG has continued to provide uninterrupted safe, adequate and proper gas service to its customers in the Borough at rates set out in its tariff and previously approved by the Board.

this Order. By letter dated September 24, 2012, a copy of which is attached as Exhibit "B" to this Order, NJNG accepted and agreed to the terms and conditions of the franchise.

On October 1, 2012, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, NJNG filed a petition requesting that the Board approve the consent adopted by the Borough. As required by law, and after public notice, a hearing in this matter was held on April 17, 2013, at the Board's Trenton offices. Appearances were made on behalf of the Company, the Board's Staff and the Division of Rate Counsel ("Rate Counsel"). 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 the testimony of John B. Wyckoff, its Manager of Engineering. Mr. Wyckoff testified that the Company continues to have sufficient capacity, staff and expertise to ensure its ability to continue to provide safe, adequate and proper service to its approximately 3,300 customers located within the Borough in a manner that preserves the public interests. He stated that the customers in the Borough would continue to be served by the Wall Township business office located at 1420 Wyckoff Road, Wall, New Jersey 07719.

By letter April 30, 2013, Rate Counsel stated that it did not oppose the relief requested by NJNG in its petition and recommended that the Board include in its Order the long-standing terms and conditions that have been traditionally been made part of such Orders. Rate Counsel further states that the petition in this matter is governed by two related statutes. Rate Counsel notes that N.J.S.A. 48:2-14 requires the Board's approval before a municipal consent to serve the municipality is valid. Rate Counsel also maintains that that N.J.S.A. 48:3-11 governs a municipal grant to a utility to use the municipality's streets and other places, and that N.J.S.A. 48:3-15 limits such a grant to a term not to exceed fifty (50) years. In this case, Rate Counsel does not object to the consent to provide service for a term of five (5) years but recommends that the Board specifically limit the grant to use the streets to the same term as set out in N.J.S.A. 48:3-15.

After a full review of the entire record, the Board **HEREBY FINDS** that the municipal consent is necessary and proper for the public convenience and properly conserves the public interests and that the Company continues to have the ability to provide safe, adequate and proper service to its customers located in the Borough of Manasquan. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, **HEREBY APPROVES** the consent granted to New Jersey Natural Gas Company by the Borough of Manasquan for the continued provision of gas utility service in the Borough as sought in NJNG's petition. The Board **FURTHER FINDS** that there is no need to specifically limit the time period for the use of the streets as the consent granted to the Company does not exceed fifty (50) years.

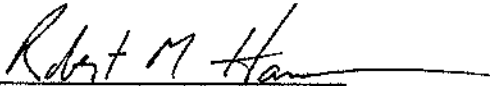
The approval granted hereinabove shall be subject to the following terms and conditions:


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 New Jersey Natural Gas Company.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board or of this 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 New Jersey Natural Gas Company.

3. In an appropriate subsequent proceeding, New Jersey Natural Gas Company 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 NJNG'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.

DATED: 5/31/13

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

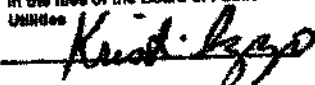

JOSEPH L. FIORDALISO
COMMISSIONER


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



**I/M/O THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF A
MUNICIPAL FRANCHISE IN THE BOROUGH OF MANASQUAN, MONMOUTH COUNTY**

BPU DOCKET NO. GE12100913

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BOROUGH OF MANASQUAN
RESOLUTION
265-2012

A RESOLUTION OF THE BOROUGH OF MANASQUAN OF THE COUNTY OF MONMOUTH GRANTING CONSENT TO NEW JERSEY NATURAL GAS COMPANY TO LAY, MAINTAIN, AND OPERATE NATURAL GAS FACILITIES IN THE MUNICIPALITY.

WHEREAS, on May 22, 2007, the Borough of Manasquan ("Municipality") granted New Jersey Natural Gas Company ("NJNG") a franchise and consent for a period of five (5) years to lay, maintain and operate natural gas facilities in the Municipality for the purpose of furnishing natural gas in the Municipality, which franchise and consent expires on October 25, 2012; and

WHEREAS, NJNG has continued to serve natural gas to the Municipality's residents and now makes application to the Municipality to continue to exercise NJNG's franchise rights in the Municipality and to continue to maintain and operate its natural gas facilities in the Municipality;

NOW THEREFORE BE IT RESOLVED, by the Borough Council of the Borough of Manasquan, Monmouth County, New Jersey, on this 17th day of September, 2012 that NJNG be and is hereby authorized to lay, maintain and operate its conductors, mains and pipes, together with appurtenances thereto, in all the public streets, alleys, squares and public places in the Municipality for the purposes of conducting natural gas or any mixture of gases of various types including natural gas for the purpose of transmitting and distributing such gas in the Municipality for a period of five (5) years from October 25, 2012 through October 25, 2017 upon the following terms and conditions:

NJNG shall:

- (a) first notify the Municipality in advance by application, in writing, of the streets, alleys, squares and public places to be opened for the laying or repairing of natural gas mains and pipes in the Municipality, together with a map or plan of such work;
- (b) secure a permit for such work; and
- (c) conduct the work of laying or repairing such facilities in a careful and prudent manner and no street shall remain open longer than absolutely necessary to lay or repair the work.

By its acceptance of this Resolution, NJNG also agrees to save harmless the Municipality from all claims, demands or damages by reason of its negligence in the construction, maintenance or operation of said mains and pipes occupying the streets, alleys, squares and public places under the provisions of the consent granted by this resolution.

NJNG agrees that, in all cases in which street openings or excavations are made for the purposes aforesaid, the pavement and the surface of the streets, alleys, squares or roadways shall be restored to the condition as existed prior to the opening of such pavement or surface.

Nothing contained in this consent shall be construed to impose any obligation on the part of the Municipality to open any streets, roads, avenues or highways, or highways or parts of any street, road, avenue or highway, not previously dedicated or opened to the public use, and nothing therein contained shall be construed in any court or place as an acceptance of any unaccepted street, road, avenue or highway or any part of an unaccepted street, road, avenue or highway.

NJNG, its successors and assigns, shall at all times during the term of the franchise, furnish safe, adequate and proper service to the Municipality and keep and maintain its property and equipment in such conditions as to enable it to do so.

Nothing in this Resolution shall be construed to grant NJNG, its successors and assigns, an exclusive right, or to prevent the granting of permission and consent to other companies for like purposes, on any streets, roads, avenues or highways of the Municipality.

NJNG shall conduct the work of laying or repairing gas mains and pipelines in a careful and prudent manner.

NJNG shall file with the Municipal Clerk, within sixty (60) days from the date of this Resolution, its acceptance of the terms and provisions of this franchise consent

This Resolution shall not become effective until it is approved by the New Jersey Board of Public Utilities.

CERTIFICATION

I, Barbara Ilaria, Municipal Clerk, Borough of Manasquan, County of Monmouth, State of New Jersey, do hereby certify that the foregoing resolution was duly adopted by the Borough Council at the September 17, 2012 meeting.


BARBARA ILARIA, RMC
Municipal Clerk

	INTRODUCED	SECONDED	AYE	NAY	ABSTAIN	ABSENT
BOSSONE	X					
CONNOLLY						
DONOVAN						
JACOBSON						
MANGAN		X				
MCCARTHY						
UNCONSENT AGENDA			X			
			YES			NO



September 24, 2012

Nancy Acciavatti
Deputy Municipal Clerk
Borough of Manasquan
201 East Main Street
Manasquan, NJ 08736

**Re: RESOLUTION NO. 265-2012
Authorizing the Extension of
Franchise Rights to NJNG**

Dear Ms. Acciavatti,

New Jersey Natural Gas Company ("NJNG") hereby accepts the terms and provisions of the Franchise Consent granted by the Governing Body of the Borough of Manasquan on September 17, 2012, and hereby agrees to be bound by the terms and provisions thereof.

Please be advised that NJNG will present the ordinance to the New Jersey Board of Public Utilities (BPU) for approval. We will provide you with a copy of the final Decision and Order upon its issuance from the BPU.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Tracey Thayer'.

Tracey Thayer, Esq.
Director, Regulatory Affairs Counsel

TT:fk