



**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 NEW JERSEY )  
NATURAL GAS COMPANY FOR APPROVAL OF A )  
MUNICIPAL FRANCHISE IN THE TOWNSHIP OF )  
WALL, MONMOUTH COUNTY, STATE OF NEW )  
JERSEY )

ORDER

DOCKET NO. GE12070719

**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 Township of Wall ("Township") in Monmouth County, New Jersey and its current franchise with the Township expired in February 2012.<sup>1</sup>

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<sup>1</sup> 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 Township at rates set out in its tariff and previously approved by the Board.

On July 11, 2012, the Township Council adopted Ordinance No. 12-2012 renewing NJNG's franchise for a period of ten (10) years. A copy of this Ordinance is attached as Exhibit "A" to this Order. By letter dated July 26, 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 July 31, 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 Township. 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 9,900 customers located within the Township in a manner that preserves the public interests. He stated that the customers in the Township 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 stated that the petition in this matter is governed by two related statutes. Rate Counsel noted 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 maintained 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 ten (10) 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 Township of Wall. 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 Township of Wall for the continued provision of gas utility service in the Township 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:

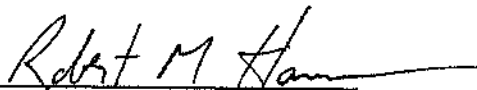
1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever the value of any tangible or intangible assets now owned or hereafter to be owned by New Jersey Natural Gas Company.
2. This Order shall not effect nor in any way limit the exercise of the authority of this Board or of this State in any future petition or in any proceedings with respect to

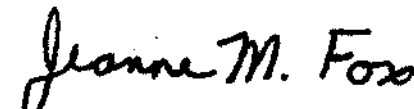
rates, franchises, services, financing, accounting, capitalization, depreciation, or in any other matters affecting New Jersey Natural Gas Company.

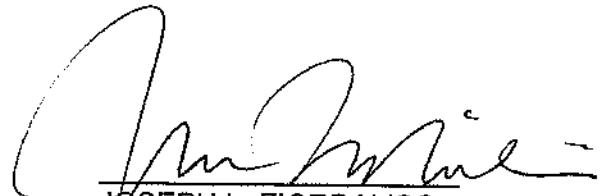
3. In an appropriate subsequent proceeding, New Jersey Natural Gas Company shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.
4. The rates for service to NJNG's customers in the Township shall continue to 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 TOWNSHIP OF WALL, MONMOUTH COUNTY**

**BPU DOCKET NO. GE12070719**

**SERVICE LIST**

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New Jersey Natural Gas Company  
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Wall, New Jersey 07719

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Post Office Box 003  
Trenton, New Jersey 08625

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Division of Rate Counsel  
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TOWNSHIP OF WALL

ORDINANCE NO. 12-2012

ORDINANCE AUTHORIZING NEW JERSEY NATURAL GAS TO EXERCISE ITS  
FRANCHISE RIGHTS IN THE TOWNSHIP OF WALL

WHEREAS, New Jersey Natural Gas Company obtained the consent of this municipality to exercise its franchise rights to lay and maintain gas mains, pipes and service pipes, in and under the surface of any or all of the roads, streets, avenues, highways and public places, for the purpose of furnishing gas therein; and

WHEREAS, said consent is limited and, by the terms thereof, expired in February of 2012; and

WHEREAS, New Jersey Natural Gas Company is desirous of obtaining consent of the municipality to continue serving the Municipality;

NOW, THEREFORE, BE IT ORDAINED that New Jersey Natural Gas Company be and is hereby authorized to lay, maintain and operate its conductors, mains and pipes, together with the appurtenances thereto, in all the public streets, alleys, squares and public places in this municipality which are under the control and jurisdiction of the Township for the purpose of conducting gas, or any mixture of gases of various types including natural gas and for the purpose of transmitting and distributing such gas in this municipality for a period of ten (10) years from the date hereof, upon the following terms and conditions:

The New Jersey Natural Gas Company shall report to the department of public works and the Township engineer, yearly, their intentions with regard to prospective work requiring future street openings in the community for the purpose of coordinating such activity with pavement projects anticipated by the Township. Except in the case of an

emergency, the Township shall have the right to schedule street openings in a manner which will create the least disturbance to pavement courses, in furtherance of which purpose the department of public works shall provide a schedule of expected street construction and resurfacing.

The New Jersey Natural Gas Company shall agree 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 same condition as existed prior to the opening thereof. The restoration shall include milling and repaving of the area so as to blend uniformly with the adjacent roadway, including restoration of pavement markings, signage and all other appurtenances. The construction code official is authorized to demand a cash escrow or equivalent in an amount not exceeding \$10,000.00 to insure that any road opening is restored satisfactorily.

The New Jersey Natural Gas Company shall conduct the work or the laying or maintaining of gas pipes therein in a careful and prudent manner.

**BE IT FURTHER ORDAINED** that New Jersey Natural Gas Company shall file with the Clerk of the Municipality, within sixty (60) days of the date hereof, its acceptance of the terms and provisions of the franchise consent herein granted and its agreement to be bound by the terms and provisions thereof.

**BE IT FURTHER ORDAINED** that all Township officials including, but not limited to the Mayor, Township Director of Engineering and Planning, Municipal Clerk and treasurer are hereby authorized and directed to take such ministerial actions as are necessary to effectuate the provisions of this ordinance.

BE IT FURTHER ORDAINED that if any part of this Ordinance shall be deemed invalid by an administrative agency or court of competent jurisdiction, such decision shall not affect the legality and enforceability of any other provision hereof.

BE IT FURTHER ORDAINED that all ordinances, policies and or procedures or parts thereof in conflict or inconsistent with this Ordinance are hereby repealed, but only however, to the extent of such conflict or inconsistency.

BE IT FURTHER ORDAINED that this ordinance shall not become effective until it is approved by the Board of Public Utilities of the State of New Jersey.

Motion made by Committee person Nichols, seconded by Committee person Bate and adopted on roll call by the following vote:

SUMMARY AND NOTICE  
ORDINANCE No. 12-2012

This Ordinance authorizing New Jersey Natural Gas to exercise its Franchise Rights in the Township of Wall.

Notice is hereby given that the foregoing Ordinance was introduced and passed on first reading by the Township Committee of the Township of Wall on June 13, 2012, and further be considered for final passage and adoption at the Wall Township Municipal Building, 2700 Allaire Road, Wall, New Jersey, on July 11, 2012 at 7:30 p.m., or as soon thereafter as the matter can be reached on the agenda, at which time and place all persons interested therein shall be given an opportunity to be heard, and during the week prior to and up to and including the date of such meeting, copies of said Ordinance will be made available at the Clerk's Office in the Township of Wall, Town Hall, to members of the general public who shall request the same.

LORRAINE KUBACZ  
Township Clerk

I HEREBY CERTIFY THIS IS A TRUE  
COPY OF ORDINANCE No. 12-2012  
WHICH WAS FINALLY ADOPTED  
BY THE TOWNSHIP COMMITTEE  
OF THE TOWNSHIP OF WALL  
ON 7/11/12

Lorraine Kubacz  
TOWNSHIP CLERK



July 26, 2012

Lorraine Kubacz  
Township Clerk  
Township of Wall  
2700 Allaire Road  
P.O. Box 1168  
Wall, NJ 07719-1168

**Re: ORDINANCE NO. 12-2012  
Authorizing the Extension of  
Franchise Rights to NJNG**

Dear Ms. Kubacz,

New Jersey Natural Gas Company ("NJNG") hereby accepts the terms and provisions of the Franchise Consent granted by the Governing Body of the Township of Wall on July 11, 2012, 2010 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', is written over a horizontal line.

Tracey Thayer, Esq.  
Director, Regulatory Affairs Counsel

TT:fk