



Agenda Date: 10/14/20
Agenda Item: IIE

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 RESOLUTION OF THE)	ORDER APPROVING RENEWAL
BOROUGH OF LAKE COMO, MONMOUTH)	OF FRANCHISE AGREEMENT
COUNTY, NEW JERSEY, AUTHORIZING)	
RENEWAL OF THE FRANCHISE AGREEMENT)	
WITH NEW JERSEY NATURAL GAS COMPANY)	DOCKET NO. GE20030214

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Andrew K. Dembia, Esq., on behalf of New Jersey Natural Gas Company

BY THE BOARD:

New Jersey Natural Gas ("NJNG" or "Company"), a regulated public utility subject to the jurisdiction of the New Jersey 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 to approximately 530,000 residential, commercial and industrial customers located in Monmouth and Ocean Counties, parts of Middlesex, Burlington, and Morris counties in New Jersey.

NJNG currently provides natural gas service within the Borough of Lake Como ("Borough") to 1,114 residential customers and 68 commercial customers. The Company's 50 year consent to use the streets within the Borough for the provision of gas service expired on March 18, 2019.¹ On November 18, 2019 by Resolution No. 2019-138 ("Resolution"), the Borough renewed NJNG's franchise for a period of 25 years and has granted NJNG consent to lay, maintain, and operate gas facilities in the Borough. A copy of the Resolution is attached to this Order as Exhibit "A". By letter to the Borough dated December 30, 2019, NJNG accepted and agreed to the terms and conditions of the Resolution consistent with N.J.S.A. 48:3-16. Copies of the letter of acceptance and the hearing notice are attached to this Order as Exhibits "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, NJNG represents that it has continued to provide service to its customers within the Borough in an uninterrupted manner.

On March 4, 2020, NJNG filed a petition with the Board, pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, seeking approval of the franchise renewal agreement granted by the Borough. As required by law and after notice, a municipal consent hearing in this matter was held on July 28, 2020. Lanhi Saldana, Esq., the board's duly appointed hearing officer, presided over the hearing. Appearances were made on behalf of the Company, the New Jersey Division of rate Counsel ("Rate Counsel") and Board Staff. No other party participated in the hearing or filed any written comments with the Board related to this matter.

At the hearing, the Company relied on its petition and exhibits filed with the Board and presented the testimony of John B. Wyckoff, Vice President of Operations and Engineering. According to Mr. Wyckoff's testimony and discovery responses, NJNG anticipates growth in the Borough over the next five (5) years of approximately 10 to 20 customers. Mr. Wyckoff also testified that the Company has the capacity to meet the anticipated level of growth within the municipality and has no plans to change its gas distribution system within the Borough.

Rate Counsel, in its written comments to the petition dated August 19, 2020, indicated that it does not object to the Company's petition since the Company represented that it has the capacity necessary to continue to provide natural gas service to the Borough. The term of the municipal consent related to the use of streets is limited to a term of 25 years. However, Rate Counsel requested that approval of the petition include certain restrictions which are incorporated in this Order.

DISCUSSION AND FINDINGS

After careful review and consideration of the petition and exhibits submitted in this matter, the Board **HEREBY FINDS** that the renewal of the franchise agreement granted to NJNG by the Borough of Lake Como is necessary and proper for the public convenience and properly serve the public interest, and that NJNG has the ability to continue 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 Borough to continue to provide adequate and appropriate service to its existing customers, and that the 25 year duration of the municipal consent to use the streets is consistent with N.J.S.A. 48:3-15. Accordingly, the Board, pursuant to N.J.S.A. 48:2-14, **HEREBY APPROVES** the consent granted to NJNG by the Borough to continue to provide gas service, and for the continued use of its public streets for that purpose for a period of 25 years.

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

1. As required by N.J.S.A. 48:3-15, and limited by the Resolution, the municipal consent to construct, maintain and operate gas lines in the streets and other public places in the Borough is limited to a term not exceeding 25 years.
2. 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 NJNG.
3. This Order shall not effect nor in any way limit the exercise of the authority of this Board or 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 NJNG.

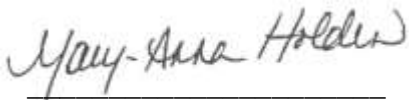
This Order shall be effective on October 24, 2020.

DATED: October 14, 2020

BOARD OF PUBLIC UTILITIES
BY:



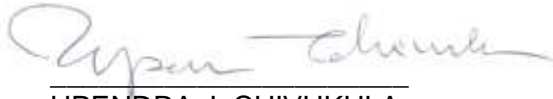
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE RESOLUTION OF THE BOROUGH OF LAKE COMO, MONMOUTH COUNTY, NEW JERSEY, AUTHORIZING RENEWAL OF THE FRANCHISE AGREEMENT WITH NEW JERSEY NATURAL GAS COMPANY: RESOLUTION NO. 2019-138, PURSUANT TO N.J.S.A. 48:2-14 AND N.J.A.C. 14:1-5.5.
BPU DOCKET NO. GE20030214

SERVICE LIST

Borough of Lake Como:

Ms. Louise A. Mekosh
RMC, CMC, CMFO
Borough Clerk/Administrator
Borough of Lake Como
1740 Main Street
Lake Como, New Jersey 07719

New Jersey Natural Gas Company:

1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Mark G. Kahrer
mkahrer@njng.com

Andrew Dembia
adembia@njng.com

**DEPT. OF LAW & PUBLIC SAFETY –
DIVISION OF LAW**

25 Market Street
P.O. Box 112
Trenton, N.J. 08625

Pamela Owen, ASC
Pamela.Owen@law.njoag.gov

Terel Klein
Terel.Klein@law.njoag.gov

Michael Beck
Michael.Beck@law.njoag.gov

NJ BOARD OF PUBLIC UTILITIES

44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Aida Camacho-Welch, Secretary
board.secretary@bpu.nj.gov

Stacy Peterson
Division of Energy
stacy.peterson@bpu.nj.gov

Sri Medicherla
Division of Energy
sri.medicherla@bpu.nj.gov

Heather Weisband, Esq.
Heather.weisband@bpu.nj.gov

DIVISION OF RATE COUNSEL

140 East Front Street - 4th Floor
P.O. Box 003
Trenton, NJ 08625

Stefanie A. Brand, Director
sbrand@rpa.nj.gov

Felicia Thomas-Friel, Esq.
ftomas@rpa.nj.gov

Brian O. Lipman, Litigation Manager
blipman@rpa.nj.gov

Brian Weeks
bweeks@rpa.nj.gov

Shelly Massey, Paralegal
smassey@rpa.nj.gov

Exhibit A: Resolution

RESOLUTION NO. 2019-138

**A RESOLUTION AUTHORIZING RENEWAL OF THE FRANCHISE
AGREEMENT WITH NEW JERSEY NATURAL GAS COMPANY**

WHEREAS, New Jersey Natural Gas Company ("NJNG") has heretofore been granted a franchise and consent to lay, maintain and operate gas facilities in the Borough of Lake Como (formerly the Borough of South Belmar); and

WHEREAS, NJNG is desirous of obtaining a franchise and consent of the municipality to continue serving the municipality.

NOW, THEREFORE, BE IT RESOLVED, that the Borough of Lake Como hereby consents and authorizes NJNG to lay, maintain and operate for a period of twenty-five (25) years from the date hereof, its conductors, mains and pipes together with all appurtenances thereto, in, under and over all the public streets, alleys, squares and public places in the Borough of Lake Como for the purpose of conducting, transmitting and distributing gas or any mixture of gases of various types, including natural gas, upon the following terms and conditions and rules, regulations and ordinances of the Borough of Lake Como:

1. That NJNG 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 reasonably restored by New Jersey Natural Gas Company to the same condition as existed prior to the opening thereof; and
2. That NJNG shall conduct the work or the laying or maintaining of gas pipes therein in a careful and prudent manner; and
3. That NJNG shall safeguard the public interest in continuous and uninterrupted service during the term of the grant; and
4. That NJNG shall maintain its property in good order throughout the full term of the grant; and
5. That NJNG shall defend and indemnify and hold harmless the Borough of Lake Como from any liability arising from the operations of NJNG, to the extent caused by the negligence or willful misconduct of NJNG or its employees or agents; and
6. That NJNG shall continuously afford safe, adequate and proper service at just and reasonable rates as determined by the Board of Public Utilities of the State of New Jersey.

BE IT FURTHER RESOLVED, that this franchise consent, upon approval of the Board of Public Utilities of the State of New Jersey, shall supersede the Resolution granted by the Borough of South Belmar on March 18, 1969; and

BE IT FURTHER RESOLVED, that New Jersey Natural Gas Company shall file with the clerk of this municipality within sixty (60) days from 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; and

BE IT FURTHER RESOLVED, that this resolution shall not become effective unless and until it is approved by the Board of Public Utilities of the State of New Jersey.

DATED: 11/18/2019



Kevin G. Higgins, Mayor

Louise A. Mekosh, RMC, CMC, CMFO
Borough Clerk/Administrator

I certify the foregoing to be a true and accurate copy of a resolution adopted by the Borough of Lake Como on 11/18, 2019.



Louise A. Mekosh, RMC, CMC, CMFO
Borough Clerk/Administrator

Exhibit B: Letter of Acceptance



December 30, 2019

VIA FEDERAL EXPRESS

Louise A. Mekosh, RMC, CMC, CMFO
Borough Clerk/Administrator
Borough of Lake Como
1740 Main Street
Lake Como, New Jersey 07719

**Re: RESOLUTION OF THE BOROUGH OF LAKE COMO,
MONMOUTH COUNTY, NEW JERSEY, AUTHORIZING
RENEWAL OF THE FRANCHISE AGREEMENT WITH NEW
JERSEY NATURAL GAS COMPANY
RESOLUTION NO. 2019-138**

Dear Ms. Mekosh:

New Jersey Natural Gas Company ("NJNG") hereby accepts the terms and provisions of the franchise consent granted by the Borough of Lake Como on November 18, 2019, and hereby agrees to be bound by the terms and provisions thereof. See Resolution No. 2019-138 (the "Resolution") herein enclosed.

NJNG will submit the Resolution to the New Jersey Board of Public Utilities (the "BPU") for approval and provide you with advance notice of the BPU hearing on this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'AG', is written over a light blue horizontal line.

Alex Gonzalez, Esq.
Assistant General Counsel

AG:sg
Enclosure

Exhibit C: Hearing Notice



June 30, 2020

BY ELECTRONIC MAIL

Louise A. Mekosh, RMC, CMC, CMFO
Borough Clerk/Administrator
Borough of Lake Como
1740 Main Street
Lake Como, New Jersey 07719

Marion Masnick, Clerk of the Board
Monmouth County Board of Freeholders
Monmouth County Hall of Records
One East Main Street
P.O. Box 1255
Freehold, New Jersey 07728

Christine Giordano Hanlon, County Clerk
Monmouth County Market Yard
33 Mechanic Street
Freehold, New Jersey 07728

RE: In the Matter of the Petition of New Jersey Natural Gas Company for the Approval of a Municipal Franchise in the Borough of Lake Como, Monmouth County BPU Docket No. GE20030214

Dear the Parties Addressed:

Pursuant to the provisions of N.J.S.A. 48:2-14, New Jersey Natural Gas Company ("NJNG") has applied to the New Jersey Board of Public Utilities ("Board") for approval of the Borough of Lake Como's ("Borough") Resolution No. 2019-138, which granted NJNG permission to continue to provide natural gas service in the Borough as provided in said Resolution. Please be advised that the Board has set July 28, 2020 at 10:00am EST, as the date and time for the Municipal Consent Hearing. Due to the COVID-19 pandemic, this Municipal Consent Hearing will be held via Zoom. The Zoom log-in information is as follows:

<https://zoom.us/j/2458136397?pwd=V3ZURkMxRnhDVk43SFEybGZsRktFZz09>
Passcode: 871017

My assistant, Maura Clark is the Zoom meeting organizer. A Zoom meeting invitation will be sent to you in advance of the scheduled date for this Municipal Consent Hearing. You are welcome to participate in the Zoom meeting to put your views on the record if you so desire. Also, notice of the hearing is posted on the Company's web site, njng.com, so interested members of the public may view the hearing.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K. Dembia'.

Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

AKD:sf
C: Service List