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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

NJ BPU

MAILROOM

IN THE MATTER OF THE PETITION OF	:	
SOUTH JERSEY GAS COMPANY FOR	:	BPU DOCKET NO. GO13030202
AUTHORIZATION TO CONSTRUCT A	:	
24" PIPELINE THROUGH MAURICE	:	PETITION FOR
RIVER TOWNSHIP IN CUMBERLAND	:	AMENDED ORDER
COUNTY, CITY OF ESTELL MANOR IN	:	
ATLANTIC COUNTY AND UPPER	:	
TOWNSHIP IN CAPE MAY COUNTY,	:	
NEW JERSEY	:	

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

South Jersey Gas Company ("South Jersey" or "Petitioner"), a public utility corporation of the State of New Jersey with its principal office at One South Jersey Plaza, Folsom, New Jersey, hereby petitions this Honorable Board (the "Board") for the issuance of an Amended Order in the referenced matter.

1. South Jersey is engaged in the transmission, distribution, transportation, and sale of natural and mixed gases within its defined service territory within the State of New Jersey. South Jersey's service territory includes all or portions of the following counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester and Salem. Within its service territory, South Jersey services approximately 360,000 customers in 114 municipalities.

2. This matter concerns the construction of an approximately twenty-one and six tenths (21.6) miles, 24" natural gas pipeline with an alignment that runs through Maurice River Township in Cumberland County, City of Estell Manor in Atlantic County and Upper Township in Cape May County, New Jersey (the "Pipeline"). South Jersey originally anticipated initiating construction of the Pipeline during the third quarter of 2013 with a completion date of November

2014. However, this timeline has been extended due to issues in connection with obtaining approval from the New Jersey Pinelands Commission.

3. In pertinent part, the Pipeline passes through land under the jurisdiction of the New Jersey Pinelands Commission and its Comprehensive Management Plan (the “CMP”).

4. On March 8, 2013 the Company filed a Petition with the Board pursuant to N.J.A.C. 14:7-1.4. By virtue of this Petition, Petitioners sought authorization and approval of the Board to construct and operate the Pipeline, and sought approval of the proposed alignment of the Pipeline.

5. By Order dated June 21, 2013 the Board approved the request for construction of the Pipeline, subject to certain conditions.

6. The Company has determined that it would be in the public interest if the following additional condition were inserted into the Order:

5. Provided, however, that unless ordered to do so by this Board, or other governmental authority having jurisdiction, the Company will not connect any new customer to that portion of the Pipeline within that area designated as the Forest Area pursuant to the CMP.

7. The point of interconnection and the regulator station referenced in the Order as being at Marshall Avenue in Upper Township, will now be located at Mount Pleasant-Tuckahoe Road in Upper Township.

8. In addition, the Company will seek approval of the New Jersey Pinelands Commission. However, such approval may be obtained or may not be obtained in conjunction with a Memorandum of Agreement between the Board and the New Jersey Pinelands Commission.

9. South Jersey requests that an Amended Order be issued reflecting these changes. Attached to this Petition as Exhibit A are the copies of a proposed form of Amended Order. One form is blacklined to reflect changes from the Order. One is not blacklined.

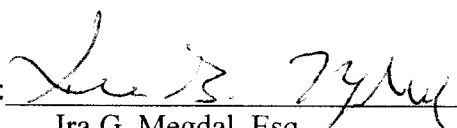
10. Notice of this filing and three (3) copies of the filing have been served upon Stefanie A. Brand, Director, Division of Rate Counsel, 140 East Front Street, 4th Floor, P.O. Box 003, Trenton, New Jersey 08625.

11. Notice of this filing and two (2) copies of the filing have been served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, NJ 07102.

WHEREFORE, Petitioner, South Jersey Gas Company requests that the Board issue an Amended Order in the form attached hereto.

Respectfully submitted,

COZEN O'CONNOR
Attorneys for Petitioner
SOUTH JERSEY GAS COMPANY

By: 
Ira G. Megdal, Esq.

Dated: October 20, 2014

Communications addressed to the Petitioner in this case should be sent to:

COZEN AND O'CONNOR
Attn: Ira G. Megdal, Esquire
457 Haddonfield Road
Suite 300
Cherry Hill, NJ 08002
(856) 910-5007
imegdal@cozen.com

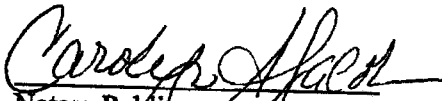
VERIFICATION

I, Stephen H. Clark, of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am Chief Financial Officer of and am authorized to make this verification on behalf of South Jersey Gas Company (the "Company").
2. I have reviewed the within Petition and the information contained therein, as it pertains to the Company, is true according to the best of my knowledge, information and belief.

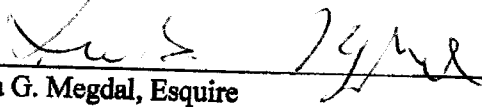


Sworn to and subscribed
before me this 20th day
of October, 2014.



Notary Public A. JACOBS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 28, 2018

This Verification is being submitted in facsimile form because the affiant is not available to sign the Verification. The undersigned attorney, Ira G. Megdal, certifies that the affiant acknowledged the genuineness of the signature and that the Verification or a copy with an original signature affixed will be filed if requested by the Board of Public Utilities or a party to this proceeding.



Ira G. Megdal, Esquire

EXHIBIT A

RECEIVED

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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MAILROOM

IN THE MATTER OF THE PETITION OF :
SOUTH JERSEY GAS COMPANY FOR : BPU DOCKET NO. GO13030202
AUTHORIZATION TO CONSTRUCT A :
24" PIPELINE THROUGH MAURICE : **AMENDED ORDER**
RIVER TOWNSHIP IN CUMBERLAND :
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TOWNSHIP IN CAPE MAY COUNTY, :
NEW JERSEY :

Ira G. Megdal, Esq., on behalf of South Jersey Gas Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD;

On March 8, 2013, South Jersey Gas Company ("Petitioner or "SJG"), a New Jersey public utility engaged in the business of purchasing, distributing, transporting, and selling natural gas to approximately 360,000 customers within its service areas in Cape May, Cumberland, Atlantic, and Salem counties, and parts of Gloucester, Camden and Burlington counties, filed a petition with the Board of Public Utilities ("Board") pursuant to N.J.A.C. 14:7-1.4. Petitioner seeks authorization and approval from the Board to construct and operate approximately 21.6 miles of a 24-inch natural gas transmission Pipeline (the "Pipeline") with an alignment that runs through Maurice River Township in Cumberland County, City of Estell Manor in Atlantic County and Upper Township in Cape May County. SJG originally anticipated initiating construction of the Pipeline in the third quarter of 2013 and completing construction in November 2014. However, construction of the Pipeline requires approval of the New Jersey Pinelands Commission (the "Commission"). The Company asserts that delays in the Commission approval process have caused delays in the commencement of construction. When completed, the Pipeline will allow for the use of in-line inspection equipment to assess its Pipeline integrity and will be certified to a maximum allowable operating pressure ("MAOP") of 700 psig.

Pursuant to N.J.A.C. 14.7-1.4, Board approval is required prior to the construction or operation of a natural gas Pipeline that is intended to be operated in excess of 250 psig and is located within 100 feet of any building intended for human occupancy, and further requires that the Pipeline satisfy the requirements of 49 C.F.R. 192 and N.J.A.C. 14:7 et seq. The proposed Pipeline alignment includes 134 structures intended for human occupancy within 100 feet of the Pipeline of which 114 are residential, 15 are commercial, three are municipal buildings belonging to two fire companies and a rescue squad, one is a Methodist church, and one is a Masonic lodge. The closest inhabited buildings are a commercial structure and a residential structure, both of which will be 25 feet from the proposed 24-inch Pipeline. Petitioner has stated that the Pipeline is deemed necessary to provide adequate supply and reliability to the southern and eastern portions of its service territory in Cape May County and Atlantic County. In

addition, the Pipeline will provide service to the B.L. England power plant in Upper Township to support its conversion from a coal-burning electrical generation power plant to one that burns natural gas.

A public hearing was held on May 1, 2013 at 7:00 p.m. at the Upper Township Municipal Building located in Petersburg, New Jersey 08270, affording members of the public an opportunity to place a statement on the record regarding this Petition. James Kane, a legal specialist on Board Staff, served as the duly-designated Hearing Examiner. Michael Stonack, Bureau Chief, Bureau of Pipeline Safety, appeared and commented on behalf of the Staff of the Board, Henry M. Ogden, Esq. appeared on behalf of Rate Counsel, and Ira G. Megdal, Esq. appeared on behalf of Petitioner. Mr. Megdal introduced several exhibits, including the affidavit of notices of the public hearing to the affected property owners and government officials as well as two newspaper publications, which were accepted and made part of the record, Mr. Megdal directly examined Richard Bethke, P.E., a Senior Engineer of South Jersey Gas Company, who described the need for the project, its design and proposed alignment, alternative Pipeline routes considered, inline Pipeline integrity inspections of the Pipeline, and proposed construction safety measures to be used during the Pipeline installation.

One member of the public, Mayor Richard Palombo of Upper Township, spoke at the hearing and expressed support of the construction of the proposed 24-inch Pipeline and about how vital the BL England facility is to Upper Township and the surrounding communities. No members of the public voiced opposition to the proposed Pipeline alignment. Some members of the public generally spoke against burning of fossil fuels and its effect on global climate change, and suggested investing in renewable energy sources such as wind and solar power. One member of the public asked about the environmental impact of the Pipeline construction. The environmental impact was addressed by SJG in connection with applications for permits needed for the Pipeline construction.

Board Staff reviewed Petitioner's proposal including the project design, construction plans and specifications, the listing of structures within 100 feet of the Pipeline and their distances from the proposed Pipeline alignment, and also conducted a full field inspection of the entire Pipeline route. The proposed route for the Pipeline construction begins in Maurice River Township at a proposed in-line inspection ("ILI") station on Route 49 where it will be tied into an existing 20-inch transmission Pipeline. This segment of the proposed Pipeline, referred to as the "Reliability Line" by SJG, will end at a proposed regulating facility on Mount Pleasant-Tuckahoe Road in Upper Township and will include an interconnection to existing transmission and distribution systems. The second segment of the Pipeline, referred to as the "Dedicated Line" by SJG, will serve the B.L. England power plant and starts at the proposed Mount Pleasant-Tuckahoe Road regulating facility. The "Dedicated Line" will run entirely within Upper Township before terminating at a proposed metering and in-line inspection station near the power plant.

In addition to providing adequate supply and reliability to the southern and eastern portions of SJG's service territory in Cape May County and Atlantic County, the entire length of new Pipeline is designed to provide service to the B.L. England power plant. In order to provide the B.L. England plant adequate service, the 24-inch line must interconnect at the proposed Route 49 ILI station. As described above, in addition to serving the B.L. England plant, the Reliability

Line will also increase reliability by interconnecting with an existing transmission line at Mount Pleasant-Tuckahoe Road in Upper Township.

Board staff worked with the Petitioner on the Pipeline alignment to mitigate the number of human-occupied structures within 100 feet of the Pipeline. Agreed upon changes do not change the overall route of the Pipeline, but have resulted in moving the Pipeline further away from certain buildings intended for human occupancy, where appropriate. In accordance with the requirements of the New Jersey Administrative Code, SJG will comply with a minimum four-foot depth of cover over the Pipeline and the installation of 12-inch wide warning tape as damage protection measures for the Pipeline. In addition, the Pipeline will be constructed using higher strength steel pipe with yield strength equal to 60,000 psig.

On July 1, 2013 the Board issued an Order (the "Order") in this Docket, approving SJG's request to construct the Pipeline, subject to certain conditions. On October 20, 2014 SJG filed a Petition with the Board seeking an Amended Order, amending the Order.

In the Petition seeking the Amended Order, SJG sought certain technical corrections which were appropriate because of the passage of time since the Order. In addition, SJG sought to impose an additional condition on the approval of the Pipeline. That condition, South Jersey proposed, would provide that unless required to do so by this Board, or other governmental authority having jurisdiction, the Company will not connect any new customer to that portion of the Pipeline within the area designated as the Forest Area by the Commission's Comprehensive Management Plan (the "CMP"). The Company asserts that such a condition is in the public interest.

The Board's Bureau of Pipeline Safety participates in the Federal Pipeline Safety Program pursuant to Section 60105(a) of the Natural Gas Pipeline Safety Act of 1968, as amended, (49 U.S.C. 1671 et seq.) and the Board has regulatory jurisdiction and enforcement authority of the safety standards through the imposition of injunctions and/or monetary sanctions for any suspected violation of the Federal safety standards promulgated and contained in Parts 192, 193, 199 and 40 of the Code of Federal Regulations.

Petitioner will have full-time inspectors, qualified by training and experience, overseeing the Pipeline construction to ensure that the Pipeline is constructed and installed in accordance with State and Federal requirements. In addition, Board Staff will conduct Pipeline safety compliance inspections during the construction of this Pipeline, as well as perform future operating and maintenance inspections on it as part of the Board's ongoing Pipeline Safety Program. SJG will provide the certification and documentation required by N.J.A.C. 14:7-1.14 prior to placing the Pipeline in operation.

On May 9, 2013 Rate Counsel submitted a letter indicating that it does not object to granting the requested approval in the Petition, subject to certain conditions regarding ratemaking treatment, which have been incorporated in this order. On November __, 2014 Rate Counsel submitted a letter stating that it does not object to the Amended Order.

Additionally, the Board notes that portions of this project are within the Pinelands. As such, the Board anticipates approval by the Commission under the CMP either pursuant to, or not pursuant to, a Memorandum of Agreement with the Pinelands Commission regarding this project.

After consideration of all pertinent materials submitted in this matter, and review by Board Staff, the Board HEREBY FINDS that Petitioner's request to construct and operate a 24-inch Pipeline running through the Townships of Maurice River, Estell Manor, and Upper Township is reasonable and is in compliance with all relevant Federal and State requirements.

Therefore, pursuant to the provisions of N.J.A.C. 14:7-1.4, the Board HEREBY APPROVES the request of SJG to construct the Pipeline, subject to the approval of any pending road opening permits from the affected municipalities and the New Jersey Department of Transportation, any applicable requirements of any future Memorandum of Agreement between the Board and the Pinelands Commission, or other approval from the Pinelands Commission, all other pending permits, if any, and the pressure testing requirements of N.J.A.C. 14:7-1.14 prior to placing the Pipeline in operation, as well as the following:

1. That the 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 South Jersey Gas Company
2. That the Order shall not affect nor in any way limit the exercise of the authority of the Board or 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 South Jersey Gas Company
3. In an appropriate subsequent proceeding, the 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. Approval of this petition does not include authorization to include in rate base the specific assets that are or will be completed as a result of the construction of the Proposed Pipeline.
4. Approval of this petition 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 Proposed Pipeline, 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 cost and expenses, shall be made in an appropriate subsequent proceeding
5. Provided, however, that unless ordered to do so by this Board, or other governmental authority having jurisdiction, the Company will not connect any new customer to that portion of the Pipeline within that area designated as the Forest Area pursuant to the CMP.

This Amended Order shall be effective on November __, 2014:

DATED: November __, 2014

BOARD OF PUBLIC UTILITIES
BY:

RICHARD MROZ
PRESIDENT

UPENDRA J. CHIVUKULA
COMMISSIONER

JOSEPH L. FIORDALISO
COMMISSIONER

DIANNE SOLOMON
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

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF
SOUTH JERSEY GAS COMPANY FOR
AUTHORIZATION TO CONSTRUCT A
24" PIPELINE THROUGH MAURICE
RIVER TOWNSHIP IN CUMBERLAND
COUNTY, CITY OF ESTELL MANOR IN
ATLANTIC COUNTY AND UPPER
TOWNSHIP IN CAPE MAY COUNTY,
NEW JERSEY

BPU DOCKET NO. G013030202

AMENDED ORDER

Ira G. Megdal, Esq., on behalf of South Jersey Gas Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

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1. That the 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 South Jersey Gas Company;
2. That the Order shall not affect nor in any way limit the exercise of the authority of the Board or 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 South Jersey Gas Company;
3. In an appropriate subsequent proceeding, the 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. Approval of this petition does not include authorization to include in rate base the specific assets that are or will be completed as a result of the construction of the Proposed Pipeline;
4. Approval of this petition 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 ~~Propose~~ Proposed Pipeline, 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 cost and expenses, shall be made in an appropriate subsequent proceeding;
5. Provided, however, that unless ordered to do so by this Board, or other governmental authority having jurisdiction, the Company will not connect any new customer to that portion of the Pipeline within that area designated as the Forest Area pursuant to the CMP.

This Amended Order shall be effective on ~~July 1, 2013~~ November __, 2014:

DATED: November __, 2014

BOARD OF PUBLIC UTILITIES
BY:

RICHARD MROZ
PRESIDENT

UPENDRA J. CHIVUKULA
COMMISSIONER

JOSEPH L. FIORDALISO
COMMISSIONER

DIANNE SOLOMON
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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